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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 635

[Docket No. 100825390-5012-02]

RIN 0648-BA17

Atlantic Highly Migratory Species; Large Coastal and Small Coastal Atlantic Shark
Management Measures

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric
Administration (NOAA), Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: This proposed rule would implement Draft Amendment 6 to the 2006 Consolidated Highly Migratory Species (HMS) Fishery Management Plan (FMP). Management measures in this proposed rulemaking are designed to respond to the problems facing Atlantic commercial shark fisheries, such as commercial landings that exceed the quotas, declining numbers of fishing permits since limited access was implemented, complex regulations, derby fishing conditions due to small quotas and short seasons, increasing numbers of regulatory discards, and declining market prices. The primary goal of Amendment 6 to the 2006 Consolidated HMS FMP (Amendment 6) is to implement management measures for the Atlantic shark fisheries that will achieve the objectives of increasing management flexibility to adapt to the changing needs of the Atlantic shark fisheries, and achieve optimum yield while rebuilding overfished shark stocks and ending overfishing. Specifically, this action proposes: adjusting the

large coastal sharks (LCS) retention limit for shark directed Limited Access Permit (LAP) holders; creating sub-regional quotas in the Atlantic and Gulf of Mexico regions for LCS and small coastal sharks (SCS); modifying the LCS and SCS quota linkages; establishing total allowable catches (TACs) and adjusting quotas for non-blacknose SCS in the Atlantic and Gulf of Mexico regions based on the results of the 2013 stock assessments for Atlantic sharpnose and bonnethead sharks; and modifying upgrading restrictions for shark permit holders. The proposed measures could affect commercial shark fishermen fishing in the Atlantic Ocean including the Gulf of Mexico and Caribbean Sea.

DATES: Written comments must be received on or before April 3, 2015. NMFS will hold 4 public hearings on Draft Amendment 6 and this implementing proposed rule on February 17, February 18, February 23, and February 26, 2015. NMFS will also hold an operator-assisted public hearing via conference call and webinar for this proposed rule on March 25, 2015, from 2 p.m. to 4 p.m. For specific locations, dates and times see the SUPPLEMENTARY INFORMATION section of this document.

ADDRESSES:

You may submit comments on this document, identified by NOAA-NMFS-2010-0188, by any one of the following methods:

- **Electronic Submission:** Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2010-0188, click the “Comment Now” icon, complete the required fields, and enter or attach your comments.

- Mail: Submit written comments to Margo Schulze-Haugen, NMFS/SF1, 1315 East West Highway, National Marine Fisheries Service, SSMC3, Silver Spring, MD 20910.

Instructions: Please include the identifier NOAA-NMFS-2010-0188 when submitting comments. Comments sent by any other method, to any other address or individual, or received after the close of the comment period, may not be considered by NMFS. All comments received are a part of the public record and generally will be posted for public viewing on www.regulations.gov without change. All personal identifying information (e.g., name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter "N/A" in the required fields if you wish to remain anonymous). Attachments to electronic comments will be accepted in Microsoft Word, Excel, or Adobe PDF file formats only.

NMFS will hold 4 public hearings and 1 conference call on this proposed rule. NMFS will hold public hearings in St. Petersburg, FL; Melbourne, FL; Belle Chasse, FL; and Manteo, NC; and via a public conference call. For specific locations, dates and times see the SUPPLEMENTARY INFORMATION section of this document.

Copies of the supporting documents, including the draft Environmental Assessment (EA), Regulatory Impact Review (RIR), Initial Regulatory Flexibility Analysis (IRFA), and the 2006 Consolidated Atlantic HMS FMP are available from the HMS website at <http://www.nmfs.noaa.gov/sfa/hms/> or by contacting LeAnn Hogan at 301-427-8503.

FOR FURTHER INFORMATION CONTACT: LeAnn Hogan, Guý DuBeck, Alexis Jackson or Karyl Brewster-Geisz by phone: 301-427-8503, or by fax: 301-713-1917.

SUPPLEMENTARY INFORMATION:

Atlantic sharks are managed under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), and the authority to issue regulations has been delegated from the Secretary to the Assistant Administrator (AA) for Fisheries, NOAA. On October 2, 2006, NMFS published in the Federal Register (71 FR 58058) final regulations, effective November 1, 2006, implementing the 2006 Consolidated HMS FMP, which details management measures for Atlantic HMS fisheries. The implementing regulations for the 2006 Consolidated HMS FMP and its amendments are at 50 CFR part 635. This proposed rule addresses implementation of Amendment 6.

NMFS began considering management measures for Amendment 6 in 2010 with the publication of an Advanced Notice of Proposed Rulemaking (ANPR) (75 FR 57235; September 10, 2010). The 2010 ANPR solicited public comments on potential adjustments to regulations governing the Atlantic shark fisheries to address several specific issues affecting the management of those fisheries. In the ANPR, NMFS discussed that since management of sharks began in 1993, there have been many changes to the regulations and major rules, either through FMP amendments or regulatory amendments, to respond to results of stock assessments, changes in stock status, and other fishery fluctuations. Despite modifications to the regulations and Amendments to the 2006 Consolidated HMS FMP to respond to these issues, the Atlantic shark fisheries continue to be faced with problems, such as commercial landings that exceed the quotas, declining numbers of fishing permits since limited access was implemented, complex regulations, derby fishing conditions due to small quotas and short seasons, increasing numbers of regulatory discards, and declining market prices. Rather than continuing to react to these issues every year with a new regulation, or every other year with a new FMP amendment, NMFS

stated that it wanted the regulations to be more proactive in management and explore methods to establish more flexible regulations that would consider the changing needs of the fisheries. More specifically, the ANPR explored management ideas related to quota structure, permit structure, and catch shares. NMFS held several public meetings regarding the ANPR and received many comments.

Based on the comments received on the ANPR, on September 16, 2011, NMFS published a Notice of Intent (NOI) (76 FR 57709) to prepare an FMP Amendment that would consider catch shares for the Atlantic shark fisheries. The NOI also established a control date for eligibility to participate in a catch share program and announced the availability of a white paper that explored potential design elements of a shark catch share program. NMFS held several public meetings and received many comments regarding the NOI.

In addition to the changes in Federal regulations, while NMFS has been considering comments on the ANPR and the NOI, there have also been changes in state shark management. Since 2010, several states have passed legislation banning the possession, sale, trade, and distribution of shark fins. In addition, the Atlantic States Marine Fisheries Commission (ASMFC) recently made changes to the Atlantic state shark management measures. The ASMFC Coastal Shark Board made the decision to amend the Interstate Coastal Shark FMP to be consistent with NMFS' recent changes in Amendment 5a, and they have expressed their preference for NMFS to open the LCS management group in the Atlantic region after July 1 each year. The Shark Board also approved measures for each Atlantic state to implement a 12 percent fin-to-carcass ratio for smooth dogfish, consistent with the 12 percent fin-to-carcass ratio specified in the smooth dogfish-specific provisions of the Shark Conservation Act of 2010 (P.L.

111-348) (the SCA).

In addition to these state measures, there have been international efforts to prohibit shark finning at sea, as well as campaigns targeted at the shark fin soup markets. All of these efforts, including the U.S. state shark fin possession bans, have impacted the market and demand for shark fins. In addition, NMFS has seen a steady decline in ex-vessel prices for shark fins in all regions since 2010.

In April 2014, NMFS released a Predraft for Amendment 6, providing NMFS with the opportunity to obtain additional information and input from HMS Advisory Panel (AP) members and HMS Consulting Parties (Atlantic, Gulf, and Caribbean Fishery Management Councils, Marine Fisheries Commissions, U.S. Coast Guard, and other State and Federal Agency representatives) on potential alternatives prior to development of the formal FMP Amendment and proposed rule. The Predraft explored potential management options for the future management of the Atlantic shark fisheries, taking into consideration comments received on the ANPR and NOI.

Since issuing the ANPR, NOI, and Predraft, and after reviewing the comments received, NMFS has continued to consider various ways to address recurring issues and provide managers and fishermen with increased flexibility, while maintaining conservation measures.

Additionally, there have continued to be changes in Federal and state management of the Atlantic shark fisheries that have affected the fishery and its communities. On May, 27 2014, NMFS published another NOI announcing (1) its intent to prepare an Environmental Assessment (EA) instead of an Environmental Impact Statement, and (2) that the agency is moving away from the catch share concept for this particular Amendment. Thus, the public should largely be

aware of the change in approach. Most recently, NMFS published a proposed rule (79 FR 46217; August 7, 2014) to implement draft Amendment 9 to the 2006 Consolidated HMS FMP (Amendment 9), which considers management measures in the smoothhound and shark fisheries. Regulations proposed in this action would overlap and modify some regulations proposed in Amendment 9.

Atlantic Sharpnose and Bonnethead Sharks Stock Assessment

Atlantic sharpnose and bonnethead sharks were both previously assessed in 2007 as part of the Southeast Data, Assessment, and Review (SEDAR) process. At that time, the statuses of both species were determined to be not overfished, with no overfishing occurring. These species were assessed again in 2013 using “standard” assessments as part of SEDAR 34. Standard assessments generally update previous benchmark assessments with additional years of data and do not allow for major changes; standard assessments typically can be completed in approximately a year. On the first day of the face-to-face assessment workshop meeting held for both species, the scientists determined that the genetic information clearly indicated both species should be split into a Gulf of Mexico stock and an Atlantic stock. However, because the assessments had been scheduled as standard assessments as opposed to benchmark assessments, the assessment process and timing would not allow the scientists to make this change. Making such a change would have required four benchmark assessments rather than two standard assessments. It would have also required additional changes to the format and structure of the data that had not been anticipated and allowed for in the overall SEDAR schedule. Based on a request from fishery managers to continue with the standard assessments at that time, given that the previous assessments were over 5 years old and updated scientific advice was needed, the

scientists agreed to continue with the standard assessment of both species as single stocks in order to provide management advice on the potential status of the stocks.

Based on the results of SEDAR 34, NMFS decided to split the Atlantic sharpnose shark species into two stocks—an Atlantic stock and a Gulf of Mexico stock—and determined, based on the overall data for the species as a whole, that the status of both stocks is not overfished and no overfishing is occurring (79 FR 53024; September 5, 2014). With regards to bonnethead sharks, NMFS also decided to split this stock into an Atlantic stock and a Gulf of Mexico stock, and determined, based on the overall data for the species as a whole, that the status of both bonnethead stocks is unknown (Id.). In this rulemaking, NMFS considers implementing total allowable catches (TAC) and commercial quotas for non-blacknose SCS (which is the management group that both Atlantic sharpnose and bonnethead sharks are managed in) in the Atlantic and Gulf of Mexico regions based on the results of the SEDAR 34 assessment and while considering the results of the 2007 finetooth stock assessment.

NMFS prepared a draft EA, RIR, and IRFA to present and analyze anticipated environmental, social, and economic impacts of each alternative contained in this proposed rule. A summary of the alternatives considered and related analyses are provided below. The complete list of alternatives and related analyses are provided in the draft EA/RIR/IRFA. A copy of the draft EA/RIR/IRFA prepared for this proposed rule is available from NMFS (see ADDRESSES).

Permit Stacking for Shark Directed LAP Holders

NMFS considered permit stacking in the 2010 ANPR and requested public comments on this potential change to the shark permit structure. A permit stacking system would allow

commercial fishermen with multiple shark LAPs to use them concurrently on one vessel, resulting in aggregated, and thus higher, retention limits.

After analyzing the ecological and socioeconomic impacts of the permit stacking alternatives in the shark fishery, NMFS currently prefers the No Action alternative (Alternative A1) in this proposed rule. The No Action alternative would maintain the current shark directed LAP structure and would not implement permit stacking for these permit holders. Under this preferred alternative, NMFS would continue to allow only one directed LAP per vessel and thus one retention limit. In the short- and long-term, this preferred alternative is expected to have neutral direct ecological impacts on LCS stocks. Shark fishermen would continue to be limited by the current retention limit of 36 LCS per trip. By leaving the current permit structure in place under this alternative, and because the LCS quotas are not being modified in this action, it is likely that the No Action alternative would have neutral short- and long-term ecological impacts to the LCS stocks. With regards to socioeconomic impacts, the preferred alternative would result in potential trip revenues of \$1,166 (1,224 lb of meat, 61 lb of fins) per vessel, assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. Because current LCS quotas are being maintained, NMFS anticipates neutral direct socioeconomic impacts in the short-term and possibly minor adverse socioeconomic impacts in the long-term, because if fishermen are unable to retain an increased number of LCS per trip by stacking permits, the profitability of each trip could decline over time, due to declining prices for shark products and increasing prices for gas, bait and other associated costs. NMFS believes that while permit stacking may have beneficial socioeconomic impacts for those fishermen that already have multiple directed shark LAPs or that could afford to buy additional permits, permit stacking could possibly disadvantage those

fishermen that are unable to buy additional permits. Because the majority of fishermen in the shark fishery have only one permit (in the Atlantic region, 130 of the 136 shark directed permits have different owners; in the Gulf of Mexico region, 73 of the 83 shark directed permits have different owners), permit stacking would not benefit most shark fishermen in the short-term, and it could possibly lead to inequity among directed shark LAP holders. NMFS believes that an increase in LCS retention limits for all directed LAP holders, as described in the Commercial Retention Limits section below, would have greater socioeconomic benefits across the entire shark fishery as a whole. Therefore, after considering the impacts of the permit stacking alternatives, NMFS prefers the No Action alternative to continue to allow only one directed LAP per vessel and thus one retention limit in this proposed rulemaking.

NMFS also analyzed two other permit stacking alternatives in the Draft EA. The first, Alternative A2, would allow fishermen to use a maximum of 2 shark directed LAPs concurrently on one vessel, which would result in aggregated, and thus higher, retention limits. Under the current LCS retention limit of 36 LCS, this would mean that a vessel with 2 stacked permits would have a LCS retention limit of 72 LCS per trip. Alternative A3 considers allowing fishermen to use a maximum of 3 shark directed LAPs concurrently on one vessel, which would result in aggregated, and thus higher, retention limits. Under the current LCS retention limit of 36 LCS, this would mean that a vessel with 3 stacked LAPs would have a LCS retention limit of 108 LCS per trip. While these alternatives could result in increased annual revenues for shark directed LAP holders who currently own or could buy multiple LAPs, they are not preferred at this time because they could possibly lead to inequity among directed shark LAP holders. These alternatives would have beneficial socioeconomic impacts only for those shark fishermen that

can afford to buy multiple shark permits, and thus would benefit from a higher retention limit and higher revenues, whereas those shark fishermen that cannot afford to buy a second or third directed shark permit would be at a disadvantage, unable to economically benefit from the higher retention limits. Given the way directed LAPs are currently held within the shark fishery, NMFS believes that an increase in LCS retention limits for all directed LAP holders, as described in the Commercial Retention Limits section below, would have greater socioeconomic benefits across the entire directed shark fishery as a whole. Therefore, after considering the impacts of the permit stacking alternatives, NMFS prefers the No Action alternative to continue to allow only one directed LAP per vessel and thus one retention limit in this proposed rulemaking.

Adjusting Commercial Retention Limits for Atlantic Shark Fisheries

The current retention limit of 36 LCS other than sandbar sharks was established in Amendment 2 as part of the rebuilding plan for sandbar sharks. As described in Amendment 2, the retention limit was established by considering, among other things, how many sandbar sharks would be discarded dead from the number of shark trips that were expected to interact with sandbar sharks. Over the past few years, the shark research fishery, which is the only part of the shark fisheries that can land and sell sandbar sharks, has not been catching the full sandbar research fishery quota. During the Predraft stage, NMFS received extensive comments from commercial fishermen and Atlantic HMS Advisory Panel members to consider adjusting the retention limits instead of allowing commercial fishermen to land sandbar sharks outside of the Atlantic shark research fishery. Thus, NMFS is considering adjusting the commercial LCS retention limit for shark directed LAP holders based on public comment.

The preferred alternative (Alternative B2) would increase the retention limit for LCS in

the Atlantic and Gulf of Mexico regions from 36 to a maximum of 55 LCS other than sandbar sharks per trip and reduce the sandbar shark research fishery quota to 75.7 mt dw (166,826 lb dw). To determine the impacts of this alternative, NMFS used the same methodology used in Amendment 2 to calculate how many sandbar sharks could potentially be discarded dead by vessels harvesting the 55 LCS other than sandbar shark retention limit. Because harvesting additional LCS per trip could result in additional sandbar sharks being discarded dead, this additional mortality would be counted against the unharvested sandbar shark research fishery quota, and NMFS would reduce the sandbar shark research fishery quota accordingly. Thus overall, NMFS does not expect the mortality of sandbar sharks to increase as a result of the increased retention limit under this alternative. Since the sandbar shark research fishery quota was previously analyzed in Amendment 2, and would be reduced from 116.6 to 75.7 mt dw in order to account for increased discards under a retention limit of 55 LCS per trip, this alternative would have short- and long-term neutral ecological impacts on sandbar sharks. In addition, the retention limit increase under this preferred alternative would result in neutral direct and indirect ecological impacts to the different LCS management groups and species, because the quotas for the different LCS management groups and species are not being modified in this rulemaking and fishermen would continue to be limited by the total amount of LCS that could be harvested, as well as by seasonal closures once 80 percent of the quota is reached.

With regards to socioeconomic impacts, this new retention limit would result in potential total trip revenues of \$1,781 (1,870 lb of meat, 94 lb of fins), assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. The preferred alternative would have short- and long-term direct and indirect minor beneficial socioeconomic impacts since shark directed permit holders

could land more sharks per trip when compared to the current retention limit of 36 LCS per trip. The higher retention limit is likely to make each trip more profitable for fishermen, as well as more efficient, if they decide to take fewer trips, and in turn save money on fuel, bait, and other associated costs.

NMFS also analyzed three other retention limit alternatives that are not preferred at this time. The No Action alternative (Alternative B1) would maintain the current commercial LCS retention limit for directed permit holders. While this would have short- and long-term neutral ecological impacts on LCS fisheries, this option denies commercial shark fishermen additional opportunities to harvest LCS within their current quotas. Due to limited resources available to fund observed trips, the sandbar quota in the research fishery has not been fully harvested in recent years (e.g., 35 percent of the available sandbar shark quota was landed in 2012). As such, NMFS believes that it is appropriate to reconsider the LCS retention limit to ensure commercial fishermen have an opportunity to harvest the available various LCS management group quotas in an efficient manner. Another alternative, Alternative B3, would increase the LCS retention limit to a maximum of 72 LCS other than sandbar sharks per trip and reduce the Atlantic shark research fishery quota to 63.0 mt dw (138,937 lb dw) for sandbar sharks. The increased retention limit to 72 LCS other than sandbar sharks per trip could result in 2,448 lb dw of LCS per trip. While increasing the retention limit could result in more efficient and profitable shark directed trips, this increased retention limit is closer to the historical retention limit of 4,000 lb dw and could cause fishermen to re-enter the fishery because of the higher retention limit. If this occurs, these fishermen may not have fished under the non-sandbar LCS regulations and might not be able to avoid catching sandbar sharks while fishing for the other LCS species, which

could lead to increased discards and potential adverse impacts to sandbar sharks. Also, if fishermen increase the number of hooks per set substantially in order to catch the increased retention limit, they may discard additional dead sharks as a result. This is more likely under this alternative than under Alternative B2, given the larger difference in retention limits, but, as would also be the case for Alternative B2, it would likely only happen in the short term as fishermen modify their fishing practices to the adjusted retention limit. Under Alternative B3, the new sandbar shark quota could result in average annual lost revenue of \$112,508 for those fishermen participating in the shark research fishery, but the income could be recouped by the increased retention limit outside the shark research fishery. Finally, the last alternative B4, considered increasing the LCS retention limit to a maximum of 108 LCS other than sandbar sharks per trip and reducing the Atlantic shark research fishery quota to 36.2 mt dw (79,878 lb dw) for sandbar sharks. This alternative would allow shark directed permit holders to retain three times as many LCS per trip as the current retention limit. This retention limit would result in potential trip revenues of \$3,498 (3,672 lb of meat, 184 lb of fins) per vessel, assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins, which is an increase of \$2,332 per vessel per trip compared to the status quo alternative. While a retention limit of 108 LCS per trip would make each trip more profitable and potentially require fishermen to take fewer trips per year, this large increase in the retention limit could cause a lot more permit holders to become active, as described above. Thus, the profit of individual vessels could decrease because LCS quotas could be caught at a faster rate, and the fishing season could be shortened. Additionally, in order to increase the retention limit to 108 LCS per trip, the sandbar shark research quota would need to be reduced to an amount below what is currently being landed in the shark research fishery,

thereby reducing the ability to carry out research for stock assessments and having adverse impacts on fishermen in the shark research fishery, who would lose quota, and thus revenue. As such, NMFS does not prefer this alternative.

Atlantic Regional and Sub-regional Quotas

Currently, NMFS manages several shark species and management group quotas on a regional basis with quota linkages in the Atlantic region. NMFS is proposing to implement sub-regional quotas for aggregated LCS, hammerhead sharks, blacknose sharks, and non-blacknose SCS management groups in the Atlantic region. Implementing sub-regional quotas would help alleviate some of the tensions between fishermen in certain states due to varying preferences for season opening dates and differences in regional shark availability. Additionally, sub-regional quotas could facilitate greater fishing accountability for these shark management groups within sub-regions, and also provide for extended fishing seasons in some sub-regions. In order to implement sub-regional quotas in the Atlantic region, NMFS is considering a number of measures, such as apportioning landings to sub-regions based on historical landings, adjusting linkages between certain management groups within sub-regions, and establishing commercial quotas and TACs for non-blacknose SCS based on results of the recent stock assessment, SEDAR 34.

NMFS considered several factors when calculating sub-regional quotas. It is important to consider the potential impact of early seasonal closures on historical landings by region over time. For example, the non-blacknose SCS and blacknose fisheries closed on November 2, 2010, September 30, 2013, and July 28, 2014, thereby reducing fishing opportunities for fishermen in

the northern Atlantic area in those years, because sharks tend to be more available later in the year in the northern Atlantic area, whereas they tend to be available year-round in the southern Atlantic area. Conversely, in years where NMFS established opening dates later in the year (e.g., July 15 opening date for Aggregated LCS in 2010 through 2012), fishermen in the southern Atlantic area may have reduced fishing opportunities. During the Predraft stage and at the September 2014 HMS AP meeting, some constituents also expressed concerns about how regional differences in how shark carcasses are dressed may impact the magnitude of shark landings reported in the Atlantic Coastal Cooperative Statistics Program (ACCSP), and thus the amount of quota that may be allocated to each sub-region. ACCSP dealer reports indicate differences in how fishermen land sharks. Dealers in some states report dressed sharks with carcass gutted, head on, and tail on, while others report dressed sharks with carcass gutted, head off, and tails off (i.e., shark cores). However, observer data and port agents indicate that sharks are landed with their heads off regardless of region. Additionally, dealers cannot indicate “heads on” in electronic dealer reporting forms. Because observer observations suggest that sharks are landed with “heads off,” and since all types of dressed shark carcasses are included in landings that are counted towards the commercial quotas, NMFS has not adjusted landings estimates to account for differences in dressed weight for the sub-regional quota calculations. Finally, at the September 2014 HMS AP meeting, AP members expressed concern about using latitude and longitude lines associated with the federal fishing catch areas to define sub-regions in the Atlantic and Gulf of Mexico, instead of the state line between North Carolina and South Carolina in the Atlantic and the state line between Mississippi and Alabama in the Gulf of Mexico because fishermen in each state wanted to ensure that all their historical landings would

ultimately contribute to their allotted sub-regional quota. However, after taking into consideration the HMS AP's comments, NMFS is considering using the latitude and longitude lines associated with fishing catch areas rather than state lines. Using the fishing catch area lines (i.e., latitude and longitude lines) would provide for more effective monitoring of quotas and more accurate reporting, as fishermen are currently required to report landings by catch area. NMFS has also determined that there would be minimal differences (0 – 1.9%) in the allocation of quota to each sub-region whether using state lines versus latitude and longitude lines.

Due to the variability in the aggregated LCS and hammerhead shark fisheries between 2008 and 2013, and various impacts of seasonal closures and changes to regulations and fishery management groups that did not impact one region more than another, NMFS calculated the sub-regional quotas based on total landings during this time period.

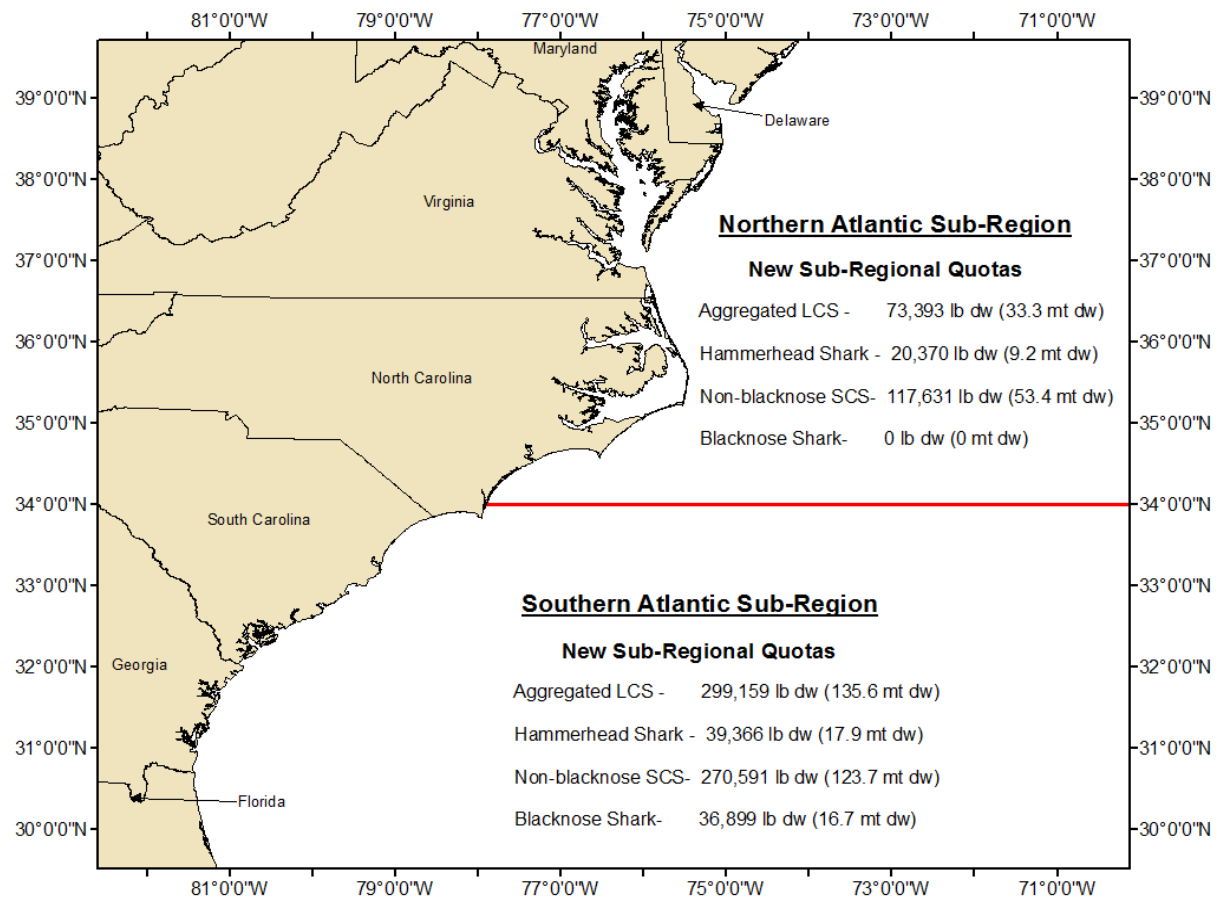
Unlike the calculations for aggregated LCS and hammerhead sharks, the data used to calculate non-blacknose SCS and blacknose shark quotas would start after 2010 because SCS fisheries management changed in 2010 under Amendment 3 to the 2006 Consolidated HMS FMP, in which NMFS created a separate blacknose shark quota and linked the quota to the non-blacknose SCS quota. NMFS used ACCSP landings data from 2011 and 2012 to calculate SCS sub-regional quotas in Alternatives C2, C3 and C4. These years were used because they are years where the SCS fisheries were open year-round and sub-regional allocations would not be impacted by early closures; this approach was supported by some members of the HMS AP at the September 2014 meeting.

The two preferred alternatives are Alternatives C4 and C6. Alternative C4 would

apportion the base annual quotas for the Atlantic LCS and SCS management groups into northern and southern sub-regional quotas, with the boundary between the northern and southern Atlantic sub-regions drawn along 34° 00' N. Latitude, based on historical landings percentages. The preferred alternative would also maintain the non-blacknose SCS and blacknose quota linkages in the southern Atlantic sub-region, eliminate the linkage between blacknose and non-blacknose SCS in the northern Atlantic sub-region, and prohibit the harvest and landings of blacknose sharks in the northern Atlantic sub-region. The preferred alternatives do not consider removing linkages between all remaining species and management groups for several reasons. Removing linkages between these management groups would require an adjustment in quotas in order to account for potential interactions and mortalities, and could result in an increase in regulatory discards. Additionally, there are specific reasons for maintaining linkages, as described in the FMP amendments that established them. For example, as described in Amendment 5a, the link between the aggregated LCS and hammerhead shark management groups was established to end overfishing and rebuild overfished stocks. To date, the closure of these management groups in the Atlantic region has been the result of harvesting the aggregated LCS quota. As described in Amendment 3 and 5a for the link between non-blacknose SCS and blacknose sharks, the linking of quotas of species that are often caught together on the same set or trip can prevent incidental catch of sharks in a closed fishery as bycatch in other directed shark fisheries, possibly resulting in mortality and negating some of the conservation benefit of quota closures. The non-blacknose SCS quota preferred under this alternative would be split into northern and southern sub-regional quotas based on landings percentages, as described under Alternative C4 in the Draft EA. Sub-regional quotas for the preferred alternatives, based on

percentages of landings apportioned to each sub-region, are outlined for Atlantic LCS and SCS in Figure 1. In addition, any overharvest of the overall regional base quota would be accounted for in the next fishing season and would affect the sub-region(s) that caused the overharvest. For example, if a northern sub-region quota was overharvested and that caused the overall regional base quota to be exceeded, then the amount overharvested by the northern sub-region would be deducted from the northern sub-region's base quota and not the southern sub-region's base quota, the following fishing season. However, if a sub-region's quota is overharvested but the overall regional quota is not exceeded, then no overharvest would be deducted from either sub-region the following fishing season. In regards to underharvest of the overall regional base quota, if the species or all species in a management group is not declared to be overfished, to have overfishing occurring, or to have an unknown status, NMFS may increase the following year's base annual quota, including regional quota, by an equivalent amount of the underharvest up to 50 percent above the base annual quota. For example, if the northern sub-region's base quota is underharvested and the southern sub-region's base quota is fully harvested, in the following year the amount underharvested by the northern sub-region would be equally distributed between the sub-regions and added to the northern and southern sub-region's base quotas. If there is underharvest of the overall regional base quota and a species' status is unknown, overfished, or overfishing is occurring, NMFS would not carry over the underharvest to the following year's base annual quota.

Figure 1: Map of Proposed Atlantic Regional and Sub-Regional Quotas



Preferred Alternative C4 would likely result in direct and indirect short- and long-term neutral ecological impacts across the Atlantic region. The preferred sub-regional quotas would have no impact on the current level of fishing pressure, catch rates or distribution of fishing effort, but instead represent an administrative change in how quotas are monitored throughout the Atlantic region. Because sub-regional quotas are estimated from historical landings, and thus based on typical fishing activity within sub-regions, there would be no expected ecological differences in how fishermen from the various Atlantic states interact with LCS and SCS. Differences between sub-regions in whether linkages were maintained, however, would have varying ecological impacts. In the northern Atlantic sub-region, due to difficulties associated with managing a small quota of 0.8 mt dw, harvest of blacknose sharks would be prohibited. Prohibiting harvest of blacknose in the northern Atlantic sub-region, would reduce the likelihood of overharvesting blacknose sharks by quickly exceeding the quota, and eliminate the need to monitor a small quota. However, in the southern Atlantic sub-region, no changes would be made in the existing quota linkages between blacknose and non-blacknose SCS, so, neutral ecological impacts on SCS would be expected, since current conditions would be maintained.

Across the entire Atlantic region, preferred alternative C4 would likely result in both direct short- and long-term moderate beneficial socioeconomic impacts. Removing quota linkages in the northern Atlantic region, in combination with apportioning the Atlantic regional quota at 34° 00' N. Lat., would allow fishermen to maximize their fishing effort, and thereby

maximize revenue, during periods when sharks migrate into local waters or when regional time/area closures are not in place. Removing quota linkages within the northern Atlantic sub-region would have beneficial impacts, as increased revenues from increased landings would continue to accrue with each fishing year. Active fishermen in the northern Atlantic sub-region would be able to continue fishing for non-blacknose SCS without the fishing activities in the southern Atlantic sub-region, where the majority of blacknose sharks are landed, impacting the timing of the non-blacknose SCS fishery closure. Economic advantages associated with removing quota linkages, allowing the northern Atlantic sub-region to land a larger number of non-blacknose SCS, would outweigh the income lost from prohibiting landings of blacknose sharks (\$1,750).

The other preferred alternative, Alternative C6, would establish an Atlantic non-blacknose SCS TAC of 401.3 mt dw and maintain the 2014 base annual commercial quota of 176.1 mt dw (388,222 lb dw). For this alternative, NMFS used the current Atlantic non-blacknose SCS commercial base annual quota of 176.1 mt dw to determine the new Atlantic TAC for this management group. The proposed TAC is calculated by summing the sources of mortality for Atlantic sharpnose, bonnethead, and finetooth sharks (recreational landings, commercial discards, which includes estimates of shrimp trawl discards, and research set-aside mortality) from the Atlantic region and adding the current commercial base annual quota (176.1 mt dw). The proposed Atlantic non-blacknose SCS TAC and commercial quota takes into account all sources of mortality for Atlantic sharpnose, bonnethead, and finetooth sharks and maintains the 2014 commercial base annual quota. In addition, no underharvest of the non-blacknose SCS quota in the Atlantic region would be carried forward to the next fishing season

because the status of the bonnethead shark stock within the non-blacknose SCS management group is “unknown”. Thus, because this non-blacknose SCS TAC and commercial quota takes into account all sources of mortality for both species, keeps fishing mortality capped at current levels, does not increase interactions with blacknose sharks, and accounts for the unknown status of Atlantic bonnethead sharks, NMFS believes that Alternative C6 would have direct and indirect short- and long-term neutral ecological impacts to the Atlantic non-blacknose SCS.

With regards to socioeconomic impacts of preferred Alternative C6, because this alternative would maintain the non-blacknose SCS commercial quota, it is likely to have short-term neutral socioeconomic impacts. Recent non-blacknose SCS landings have been below 176.1, thus, this commercial quota could allow for increased landings and additional revenue if the entire quota is caught, which could have beneficial socioeconomic impacts. However, since the proposed commercial quota of 176.1 mt dw would not be adjusted for underharvests due to the unknown status of bonnethead sharks, the fishermen participating in this fishery would be capped at a lower quota than is possible in the current non-blacknose SCS fisheries if there is underharvest, potentially leading to long-term minor adverse socioeconomic impacts. NMFS does not expect fishing effort to dramatically increase for non-blacknose SCS in the southern region of the Atlantic, since this fishery would continue to be limited by blacknose shark landings and the linkage between these two groups. Preferred Alternative C6 would maintain fishing mortality at current levels and would not have unnecessary adverse socioeconomic impacts.

Cumulatively, Alternatives C4 and C6 would have positive impacts on the current state of shark fisheries in the Atlantic Region. Implementing the northern and southern sub-regional

quotas proposed in Alternative C4 would allow fishermen to maximize their fishing effort during periods when sharks migrate into local waters or when regional time/area closures are not in effect. Additionally, Alternative C4 would provide increased flexibility in the application of shark management measures throughout the Atlantic region, without having any adverse economic or ecological consequences. The non-blacknose SCS commercial quota under preferred Alternative C6 would continue to allow fishermen to land these species at current levels, while maintaining the Atlantic sharpnose and bonnethead stocks at sustainable levels. It more accurately reflects the status of Atlantic sharpnose and bonnethead sharks and considers the sources of mortality for all three non-blacknose SCS. Therefore, because of the neutral ecological impacts expected to shark species as well as non-target, incidental species and bycatch, and the moderately beneficial socioeconomic impacts expected by these combined measures, NMFS prefers these alternatives at this time.

NMFS also analyzed five other alternatives related to Atlantic sub-regional quotas that are not preferred at this time. Alternative C1, the No Action alternative, would not change the current commercial quota management in the Atlantic shark fisheries. Alternative C2 would apportion the Atlantic regional quotas for LCS and SCS along 33° 00' N. Latitude (approximately at Myrtle Beach, South Carolina) into northern and southern sub-regional quotas, while maintaining all current quota linkages. Alternative C3 would apportion the Atlantic regional quotas for LCS and SCS along 34° 00' N. Latitude (approximately at Wilmington, North Carolina) into northern and southern sub-regional quotas, while maintaining all current quota linkages. Alternative C5 would establish a non-blacknose SCS TAC of 177.3 mt dw and reduce the non-blacknose SCS commercial quota to 128 mt dw (282,238 lb dw), based on the

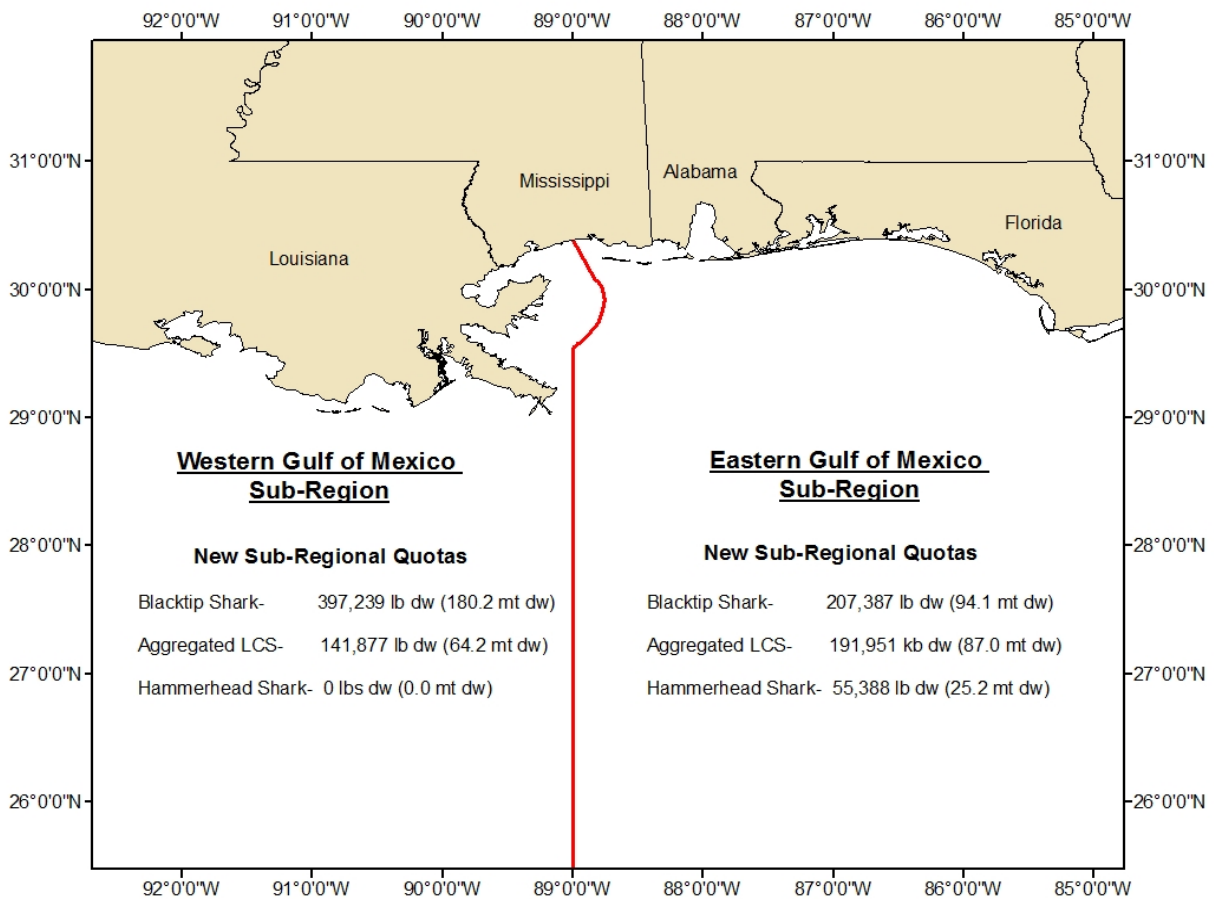
results of the 2013 assessment for bonnethead sharks. Alternative C7 would establish a non-blacknose SCS TAC of 489.3 mt dw and increase the commercial quota to 264.1 mt dw (582,333 lb dw), which is equal to the 2014 adjusted non-blacknose SCS quota. While some of these alternatives share some similar components with the preferred alternatives, NMFS does not prefer the remaining alternatives at this time for a variety of reasons. Alternative C1, the status quo alternative, does not address some of the issues facing the Atlantic shark fisheries and the current purpose of Amendment 6 to increase flexibility for shark fishermen. While neutral ecological impacts on Atlantic shark species and non-target species are anticipated from Alternatives C2 and C3, they do not take into consideration quota linkages between non-blacknose SCS and blacknose sharks. Under Alternative C5, the non-blacknose SCS TAC and commercial quota are limited by the results of the bonnethead shark stock assessment and do not take the results of the Atlantic sharpnose stock assessment or the status of finetooth sharks into account. Finally, Alternative C7 would cap the non-blacknose SCS commercial quota at a higher level than Alternative C6 and does not account for the uncertainties in the SEDAR 34 bonnethead stock assessment.

Gulf of Mexico Regional and Sub-regional Quotas

Similar to management measures considered in the Atlantic region, NMFS is also considering implementing sub-regional quotas for shark management groups in the Gulf of Mexico region. The two preferred alternatives are Alternative D4 and D6. Alternative D4 would apportion the base annual commercial quotas for the Gulf of Mexico LCS management groups into eastern and western sub-regional quotas along 89° 00' W Longitude, based on

historical landings percentages (see Discussion in section 2.4 of Draft EA). It would also maintain the linkage between aggregated LCS and hammerhead sharks in the eastern Gulf of Mexico sub-region, eliminate the linkage between aggregated LCS and hammerhead sharks in the western Gulf of Mexico sub-region, and prohibit the harvest and landings of hammerhead sharks in the western Gulf of Mexico sub-region. NMFS would maintain linkages between the remaining management groups. Removing linkages between the additional management groups would require an adjustment in quotas in order to account for potential interactions and mortalities, and could result in an increase in regulatory discards. The western sub-regional quota for hammerhead sharks would be 0 mt dw. Sub-regional quotas for LCS, based on percentages of landings apportioned to each sub-region, are outlined for the Gulf of Mexico LCS in Figure 2. As described above in the Atlantic regional and sub-regional quotas section, any overharvest of the overall regional base quota would be deducted from the sub-region(s) that caused the overharvest. However, if a sub-region's quota is overharvested but the overall regional quota is not exceeded, then no overharvest would be deducted from either sub-region the following fishing season. In addition, in cases where carry over is allowed, any underharvest of the overall regional base quota would be equally distributed to both sub-regions in the next fishing season, unless the status of the species or one of the species in the management group is unknown, overfished, or overfishing is occurring, in which case, NMFS would not carry over the underharvest to the following year's base annual quota.

Figure 2: Map of Proposed Gulf of Mexico Regional and Sub-Regional Quotas



Preferred Alternative D4 would likely result in both direct and indirect short- and long-term neutral ecological impacts on LCS within the western and eastern Gulf of Mexico sub-regions. The preferred sub-regional LCS quotas would have no impact on the current level of fishing pressure, catch rates or distribution of fishing effort since current LCS quotas are being maintained, but instead represents an administrative change in how quotas are monitored throughout the Gulf of Mexico region. In the eastern Gulf of Mexico sub-region, no changes would be made in the existing quota linkages between aggregated LCS and hammerhead sharks, which would likely result in neutral ecological impacts, since current conditions would be maintained. In contrast, in the western Gulf of Mexico sub-region, quota linkages would be removed between aggregated LCS and hammerhead sharks. While quota linkages mitigate incidental mortality of species caught together, only 0.6 percent of hammerhead shark landings in the Gulf of Mexico region can be attributed to fishing activities in the western Gulf of Mexico sub-region. In the western Gulf of Mexico region, due to the difficulties associated with managing a small quota of 0.1 mt dw, harvest of hammerhead sharks would be prohibited. Prohibiting harvest of hammerhead sharks in the western Gulf of Mexico would reduce the likelihood of overharvesting the hammerhead shark quota by quickly exceeding a small quota, and eliminate the need to monitor a small quota. Because landings of hammerhead in the western Gulf of Mexico are minimal, Alternative D4 would still likely result in neutral ecological impacts on LCS within the western Gulf of Mexico sub-region.

Alternative D4 would likely result in both direct and indirect short- and long-term neutral socioeconomic impacts across the entire Gulf of Mexico region, as increased revenues associated with increased flexibility with season opening dates as a result of implementing sub-regional quotas would be countered by potential losses from prohibiting landings of hammerhead sharks in the western Gulf of Mexico. Removing quota linkages within the western Gulf of Mexico sub-region would have beneficial socioeconomic impacts, as fishermen active in this region would be able to continue fishing for aggregated LCS without fishing activities in the eastern Gulf of Mexico sub-region determining the timing of the aggregated LCS fishery closure. Economic advantages associated with removing quota linkages, allowing the western Gulf of Mexico sub-region to continue to land a larger number of aggregated LCS, would offset any potential lost income from prohibiting landings of hammerhead shark. In the eastern Gulf of Mexico sub-region, no socioeconomic impacts are expected by maintaining the quota linkages already in place for LCS.

The other preferred alternative, Alternative D6, would establish a Gulf of Mexico non-blacknose SCS TAC of 954.7 mt dw and increase the commercial quota in the Gulf of Mexico region to the 2014 adjusted annual quota of 68.3 mt dw (150,476 lb dw). This TAC is calculated by summing the sources of mortality for Atlantic sharpnose, bonnethead, and finetooth sharks in the Gulf of Mexico region (recreational landings, commercial discards, and research set-aside mortality) and adding the 2014 adjusted annual quota of 68.3 mt dw. This non-blacknose SCS TAC and commercial quota takes into account all sources of mortality for Atlantic sharpnose, bonnethead, and finetooth sharks and maintains current quota levels, due to uncertainty with the SEDAR 34 stock assessment and comments from the stock assessment peer

reviewers, who expressed concern that bonnethead sharks were not split into two different stocks and analyzed in a manner that is similar to what was done with Atlantic sharpnose sharks. In addition, there is uncertainty about the data and life history information for finetooth sharks, so NMFS would prefer to take a relatively conservative approach with finetooth sharks and not increase landings substantially until a new stock assessment is complete. The commercial quota under Alternative D6 reflects the current fishing effort and pressure in the Gulf of Mexico for non-blacknose SCS. Under Alternative D6, the commercial quota and TAC would not result in any changes in current fishing effort or catch rates of non-blacknose SCS in the Gulf of Mexico. With anticipated fishing activities remaining the same, no increases in potential bycatch or increased interactions with non-target, incidentally caught species are expected. Thus, the preferred Alternative D6, would likely result in short- and long-term minor beneficial ecological impacts on non-blacknose SCS in the Gulf of Mexico region because the alternative maintains the quota at the present level, which is below the quota projected in the stock assessment, and interactions with blacknose sharks would remain the same.

Alternative D6 would result in both direct and indirect short- and long-term neutral to minor adverse socioeconomic impacts because it would increase the commercial quota above the current base non-blacknose SCS quota, providing fishermen with additional opportunities to profit from landing non-blacknose SCS in the Gulf of Mexico region, while keeping interactions with blacknose sharks at current levels, as quota linkages would be maintained. Given current financial difficulties faced by fishermen, associated with declining ex-vessel prices and restrictions on the sale of shark fins, the beneficial socioeconomic impacts of increasing the annual quota by 12.8 mt dw from the current base quota would likely be minimal. In addition,

the proposed commercial quota of 68.3 mt dw could have minor adverse impacts since 2013 non-blacknose SCS landings exceeded this commercial quota. However, due to the uncertainties in SEDAR 34 and given the unknown stock status of bonnethead sharks in the Gulf of Mexico region and uncertainty about the data and life history information for finetooth sharks, NMFS believes that the proposed commercial quota would continue to provide fishermen with sufficient opportunity to harvest non-blacknose SCS, while maintaining the species at sustainable levels.

Cumulatively, Alternatives D4 and D6 would have positive impacts on the current state of shark fisheries in the Gulf of Mexico region. Implementing the eastern and western sub-regional quotas in Alternative D4 would allow fishermen to maximize their fishing effort during periods when sharks migrate into local waters or periods when sales of shark meat are increased, as well as providing increased revenue associated with potentially landing a larger portion of their sub-regional quota. Additionally, Alternative D4 would provide increased flexibility in the application of shark management measures throughout the Gulf of Mexico region, without having any adverse economic or ecological consequences. Alternative D6 would allow for non-blacknose SCS landings to be capped at the 2014 adjusted quota, and be conservative based on uncertainties associated with the SEDAR 34 stock assessment for bonnethead sharks and the SEDAR 13 stock assessment for finetooth sharks. Because of the neutral ecological impacts expected to shark species as well as non-target, incidental species and bycatch, and the moderately beneficial economic impact expected by these combined measures, NMFS prefers these alternatives at this time.

NMFS also analyzed five other alternatives related to Gulf of Mexico sub-regional quotas that are not preferred at this time. Alternative D1, the No Action alternative, would not change

the current quota management of the shark fisheries in the Gulf of Mexico. Alternative D2 would apportion the Gulf of Mexico regional quotas for LCS along 89° 00' W Longitude into eastern and western sub-regional quotas, while maintaining current linkages. Alternative D3 would apportion the Gulf of Mexico regional quotas for LCS along 88° 00' W Longitude into eastern and western sub-regional quotas, while maintaining current linkages. Alternative D5 would establish a non-blacknose SCS TAC of 931.9 mt dw, based on current levels of catch, and maintain the current commercial base annual non-blacknose SCS quota of 45.5 mt dw (100,317 lb dw). Alternative D7 would establish a non-blacknose SCS TAC of 1,064.9 mt dw and increase the commercial quota to twice the 2013 landings, which is 178.5 mt dw (393,566 lb dw). While some of these alternatives share some similar components with the preferred alternatives, NMFS does not prefer the remaining alternatives at this time for a variety of reasons. Alternative D1, the status quo alternative, does not address some of the issues facing the Atlantic shark fisheries and the current purpose of Amendment 6 is to increase flexibility for shark fishermen. Alternative D2 does not take into consideration quota linkages between aggregated LCS and hammerhead sharks. While Alternative D3 would have neutral ecological impacts on Gulf of Mexico shark species and non-target species and have beneficial economic impacts, the alternative is not preferred because the split in Alternatives D2 and D4 may reflect the distribution of fishing constituents better. The quota under Alternative D5 would not address the financial difficulties faced by shark fishermen throughout the Gulf of Mexico or improve the current state of the Gulf of Mexico shark fisheries. Finally, the increased quota under Alternative D7 could likely negatively impact blacknose sharks, which have an unknown status, and would have an unknown impact on finetooth sharks.

Upgrading Restrictions

NMFS is considering removing the upgrading restrictions for shark LAP holders in order to reduce restrictions for fishermen to buy and sell shark permits. The current preferred alternative, Alternative E2, would remove current upgrading restrictions for shark directed LAP holders. Eliminating these restrictions would have short- and long-term minor beneficial socioeconomic impacts, since it would allow fishermen to buy, sell, or transfer shark directed permits without worrying about the increase in horsepower of more than 20 percent or an increase of more than 10 percent in length overall, gross registered tonnage, or net tonnage from the vessel baseline specifications. In addition, the upgrade restriction for shark permit holders was implemented in part to match the upgrading restrictions for the Northeast multispecies permits. NMFS is currently considering removing the upgrading restrictions for the Northeast multispecies permits, and if those are removed, then removing the upgrading restrictions for shark directed LAP holders could aid in maintaining consistency for fishermen who hold multiple permits. Removing the upgrading restrictions would not affect the number of sharks being landed by vessels, as the amount of sharks landed is determined by the retention limit and quotas, not the size of the vessel. Thus, this preferred alternative would have short- and long-term neutral ecological impacts since removing restrictions on shark directed LAPs related to vessel specifications would have no impacts on the biological status of Atlantic sharks. NMFS prefers this alternative at this time because it would provide more flexibility for current shark LAP holders by eliminating the upgrading restrictions for shark directed permit holders, without having any negative ecological effects, and potentially could maintain consistency with the Northeast multispecies fisheries permit requirements, if those requirements also are removed.

NMFS also analyzed the No Action alternative that would have maintained the current upgrading restrictions related to horsepower, length overall, gross registered tonnage and net tonnage. This alternative would have neutral ecological and socioeconomic impacts, since it would maintain the status quo. However, the No Action alternative limits fishermen's ability to update vessels or engines to more fuel-efficient ones and would provide less flexibility for fishermen when buying, selling, or transferring LAPs than the preferred alternative.

Public Hearings

Comments on this proposed rule may be submitted via <http://www.regulations.gov>, mail, or fax and comments may also be submitted at a public hearing. NMFS solicits comments on this proposed rule by April 3, 2015. During the comment period, NMFS will hold 4 public hearings and 1 conference call for this proposed rule. The hearing locations will be physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to LeAnn Hogan or Guý DuBeck at 301-427-8503, at least 7 days prior to the meeting. NMFS has also asked to present information on the proposed rule and draft Amendment 6 to the Caribbean, Gulf of Mexico, South Atlantic, Mid-Atlantic, and New England Fishery Management Councils and the Atlantic and Gulf States Marine Fisheries Commissions at their meetings during the public comment period. Please see their meeting notices for dates, times, and locations.

Table 1. Dates, times, and locations of upcoming public hearings and conference call.

Venue	Date/time	Meeting locations	Location contact information
Public Hearing	February 17, 2015, 5 p.m. – 8 p.m.	St. Petersburg, FL	National Marine Fisheries Service, Southeast Regional Office, 263 13th Avenue South, Saint Petersburg, FL 33701

Public Hearing	February 18, 2015, 5 p.m. – 8 p.m.	Melbourne, FL	Melbourne Public Library, 540 E. Fee Ave, Melbourne, FL 32901
Public Hearing	February 23, 2015, 5 p.m. – 8 p.m.	Belle Chasse, LA	Belle Chasse Branch Library, 8442 Louisiana 23, Belle Chasse, LA 70037
Public Hearing	February 26, 2015, 5 p.m. – 8 p.m.	Manteo, NC	Commissioners Meeting Room, Dare County Administration Building, 954 Marshall C. Collins Dr., Manteo, NC 27954
Conference call	March 25, 2015, 2 p.m. – 4 p.m.		To participate in conference call, call: (877) 918-1344 Passcode: 7371832 To participate in webinar, RSVP at: https://noaaevents2.webex.com/noaaevent2/onstage/g.php?d=998580989&t=a , A confirmation email with webinar log-in information will be sent after RSVP is registered.

The public is reminded that NMFS expects participants at the public hearings to conduct themselves appropriately. At the beginning of each public hearing, a representative of NMFS will explain the ground rules (e.g., alcohol is prohibited from the hearing room; attendees will be called to give their comments in the order in which they registered to speak; each attendee will have an equal amount of time to speak; and attendees should not interrupt one another). At the beginning of the conference call, the moderator will explain how the conference call will be conducted and how and when attendees can provide comments. The NMFS representative will attempt to structure the meeting so that all attending members of the public will be able to comment, if they so choose, regardless of the controversial nature of the subject(s). Attendees are expected to respect the ground rules, and, if they do not, they may be asked to leave the hearing or may not be allowed to speak during the conference call.

Classification

Pursuant to the Magnuson-Stevens Act, the NMFS Assistant Administrator has determined that the proposed rule is consistent with the 2006 Consolidated HMS FMP and its amendments, other provisions of the Magnuson-Stevens Act, and other applicable law, subject to further consideration after public comment.

NMFS prepared a draft EA for Draft Amendment 6 that discusses the impact on the environment that would occur as a result of this proposed action. In this proposed action, NMFS is considering both adjusting current management measures affecting the Atlantic shark fisheries, as well as creating new measures that provide managers and fishermen with operational and implementation flexibility. A copy of the EA is available from NMFS (see ADDRESSES).

This proposed rule has been determined to be not significant for purposes of Executive Order 12866.

An initial regulatory flexibility analysis (IRFA) was prepared, as required by section 603 of the Regulatory Flexibility Act (RFA). The IRFA describes the economic impact this proposed rule would have on small entities if adopted. A description of the action, why it is being considered, and the legal basis for this action are contained at the beginning of this section in the preamble and in the SUMMARY section of the preamble. A summary of the analysis follows. A copy of this analysis is available from NMFS (see ADDRESSES).

Section 603(b)(1) requires Agencies to describe the reasons why the action is being considered. This proposed action is being considered to implement management measures for the Atlantic shark fisheries that will achieve the objectives of increasing management flexibility to adapt to the changing needs of the Atlantic shark fisheries, and achieve optimum yield while rebuilding overfished shark stocks and ending overfishing. In September 2010, NMFS published

an ANPR to request public comment on potential adjustments to the regulations governing the Atlantic shark fisheries to address specific issues currently affecting management of the shark fisheries and to identify specific goals for management of these fisheries in the future. Based on the comments received on the ANPR, in September 2011, NMFS published a NOI to prepare an FMP Amendment that would consider catch shares for the Atlantic shark fisheries. Since the publication of the NOI, there have been a few major changes in the Federal management of the Atlantic shark fisheries, including the publication of Amendment 5a. In addition to the changes in Federal regulations, there have also been changes in state shark management, such as the shark fin possession prohibitions. In considering comments received on the ANPR and NOI, in April 2014, NMFS released a Predraft for Amendment 6 that included management options for changes to regional quota and permit structures. On May, 27 2014, NMFS published another NOI announcing its intent to prepare an Environmental Assessment (EA) instead of an Environmental Impact Statement and that the agency is moving away from the catch share concept for this particular Amendment. Since the publication of these documents, and reviewing the comments received, NMFS has continued to consider various ways to move forward to address recurring issues through regulations that provide managers and fishermen with increased management and implementation flexibility, while maintaining conservation measures for the commercial shark fisheries.

Section 603(b)(2) requires Agencies to describe the objectives of the proposed rule. The management goals and objectives of this action are to implement management measures for the Atlantic shark fisheries that will achieve the objectives of increasing management flexibility to adapt to the changing needs of the Atlantic shark fisheries, and achieve optimum yield while

rebuilding overfished shark stocks and ending overfishing. To achieve this purpose and need, and to comply with existing statutes such as the Magnuson-Stevens Act and its objectives, NMFS has identified the following objectives with regard to this proposed action:

- Increasing the efficiency in the LCS and SCS fisheries;
- Maintaining or increasing equity across all shark fishermen and regions;
- Promoting economic viability for the shark fishery participants;
- Obtaining optimum yield from the LCS and SCS fisheries;
- Maintaining or increasing management flexibility for the shark fisheries;
- Decreasing dead discards of sharks;
- Continuing to rebuild overfished shark stocks; and
- Preventing overfishing of shark stocks.

Section 603(b)(3) requires Agencies to provide an estimate of the number of small entities to which the rule would apply. On June 12, 2014, the Small Business Administration (SBA) issued an interim final rule revising the small business size standards for several industries effective July 14, 2014 (79 FR 33467). The rule increased the size standard from \$19.0 to \$20.5 million for finfish fishing, from \$5 to \$5.5 million for shellfish fishing, and from \$7.0 million to \$7.5 million for other marine fishing, for-hire businesses, and marinas. Id. at 33656, 33660, 33666.

NMFS has reviewed the analyses prepared for this action in light of the new size

standards. Under the former, lower size standards, all entities subject to this action were considered small entities, thus they all would continue to be considered small under the new standards. NMFS does not think that the new size standards affect analyses prepared for this action and solicits public comment on the analyses in light of the new size standards. Under these standards, NMFS considers all Atlantic HMS permit holders subject to this rulemaking to be small entities.

As discussed in Section 3.6.2 of the Draft EA for Amendment 6, the proposed rule would apply to the 473 commercial shark permit holders in the Atlantic shark fishery, based on an analysis of permit holders as of September 2014. Of these permit holders, 214 have directed shark permits and 259 hold incidental shark permits. Not all permit holders are active in the fishery in any given year. Active directed permit holders are defined as those with valid permits that landed one shark based on HMS electronic dealer reports. Based on 2013 HMS electronic dealer data, 68 shark directed permit holders were active in the Atlantic and 22 shark directed permit holders were active in the Gulf of Mexico. NMFS has determined that the proposed rule would not likely affect any small governmental jurisdictions. More information regarding the description of the fisheries affected and the categories and number of permit holders can be found in Chapter 3 of the Draft EA for Amendment 6.

Section 603(b)(4) of the Regulatory Flexibility Act requires Agencies to describe any new reporting, recordkeeping, and other compliance requirements. The action does not contain any new collection of information, reporting, recordkeeping, or other compliance requirements.

Under section 603(b)(5) of the RFA, agencies must identify, to the extent practicable, relevant Federal rules which duplicate, overlap, or conflict with the proposed rule. Fishermen,

dealers, and managers in these fisheries must comply with a number of international agreements, domestic laws, and other FMPs. These include the Magnuson-Stevens Act, the Atlantic Tunas Convention Act (ATCA), the High Seas Fishing Compliance Act, the Marine Mammal Protection Act, the Endangered Species Act (ESA), the National Environmental Policy Act, the Paperwork Reduction Act, and the Coastal Zone Management Act. This proposed rule has been determined not to duplicate, overlap, or conflict with any Federal rules.

On July 3, 2014, NMFS published a final rule that, among other things, listed as threatened under the ESA a Central and Southwest Atlantic Distinct Population Segment (DPS) of scalloped hammerhead sharks (79 FR 38214). This DPS occurs within the boundary of Atlantic HMS commercial and recreational fisheries, which are managed by NMFS. On August 27, 2014, NMFS published a final rule that, among other things, listed as threatened, or determined that threatened status was still warranted for, seven species of corals that occur within the boundary of Atlantic HMS fisheries.

On October 30, 2014, based on the new listings, NMFS requested reinitiation of ESA section 7 consultation on the continued operation and use of HMS gear types (bandit gear, bottom longline, buoy gear, handline, and rod and reel) and associated fisheries management actions in the 2006 Consolidated Atlantic HMS FMP and its amendments. NMFS also submitted a biological evaluation to support this request for reinitiation of consultation and to provide supplemental information for an ongoing consultation for the pelagic longline fishery. Pending completion of consultation, NMFS has determined that the ongoing operation of the fisheries is consistent with existing biological opinions and is not likely to jeopardize the continued existence or result in an irreversible or irretrievable commitment of resources which would

foreclose formulation or implementation of any reasonable and prudent alternative measures on the threatened Central and Southwest DPS of scalloped hammerhead sharks or threatened coral species.

One of the requirements of an IRFA is to describe any alternatives to the proposed rule which accomplish the stated objectives and which minimize any significant economic impacts. These impacts are discussed below. Additionally, the RFA (5 U.S.C. 603 (c) (1)-(4)) lists four general categories of “significant” alternatives that would assist an agency in the development of significant alternatives. These categories of alternatives are: (1) establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) use of performance rather than design standards; and (4) exemptions from coverage of the rule, or any part thereof, for small entities.

In order to meet the objectives of this proposed rule, consistent with the Magnuson-Stevens Act, ATCA, and the ESA, NMFS cannot establish differing compliance requirements for small entities or exempt small entities from compliance requirements. Thus, there are no alternatives discussed that fall under the first and fourth categories described above. NMFS does not know of any performance or design standards that would satisfy the objectives of this rulemaking while, concurrently, complying with the Magnuson-Stevens Act. As described below, NMFS analyzed several different alternatives in this proposed rulemaking and provides rationales for identifying the preferred alternatives to achieve the desired objectives.

The alternatives considered and analyzed are described below. The IRFA assumes that each vessel will have similar catch and gross revenues to show the relative impact of the

proposed action on vessels. In this rulemaking, we considered 6 different categories of management measures to address current issues facing LCS and SCS shark fisheries. These categories are permit stacking (A1 – A3), commercial retention limits (B1 – B4), Atlantic sub-regional quotas (C1 – C7), Gulf of Mexico sub-regional quotas (D1 – D7), and upgrading restrictions (E1 and E2).

Permit Stacking

Under Alternative A1, the preferred alternative, NMFS would not implement permit stacking for the shark directed limited access permit holders. NMFS would continue to allow only one directed limited access permit per vessel and thus one retention limit. The current retention limit of 36 LCS per trip would result in potential trip revenues of \$1,166 (1,224 lb of meat, 61 lb of fins) per vessel, assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. It is likely that this alternative could possibly have minor adverse socioeconomic impacts in the long term, because if fishermen are unable to retain an increased number of LCS per trip by stacking permits, the profitability of each trip could decline over time, due to declining prices for shark products and increasing prices for gas, bait, and other associated costs. The No Action alternative could also have neutral indirect impacts to those supporting the commercial shark fisheries, since the retention limits, and thus current fishing efforts, would not change under this alternative.

Under Alternative A2, NMFS would allow fishermen to concurrently use a maximum of two shark directed permits on one vessel, which would result in aggregated, and thus higher, trip limits. Under the current LCS retention limit of 36 LCS, this would allow a vessel with two stacked permits to have a LCS retention limit of 72 LCS per trip. This new retention limit would

result in potential trip revenues of \$2,332 (2,448 lb of meat, 124 lb of fins) per vessel, assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins, which is an increase of \$1,166 per trip compared to the status quo alternative. For fishermen that currently have two directed limited access permits, this alternative would have short-term minor beneficial socioeconomic impacts because these fishermen would be able to stack their permits and avail themselves of the retention limit of 72 LCS per trip. The higher retention limit is likely to make each trip more profitable for fishermen, as well as more efficient, if they decide to take fewer trips and in turn save money on gas, bait, and other associated costs. This alternative could also have indirect, minor beneficial socioeconomic impacts to entities supporting the commercial shark fisheries, such as fishing tackle manufacturers and suppliers, bait suppliers, fuel providers, and shark dealers, because the increased efficiency and profitability in the fisheries could also lead to increases in potential employment, personal income, and sales for the entities supporting the fisheries. However, the current number of directed permits in the Atlantic region is 136, and 130 of those permits have different owners. In the Gulf of Mexico, of the 83 directed shark permits, 73 have different owners. Therefore, it is unlikely that many of the current directed shark permit holders would be able to benefit from this alternative in the short-term. In addition, the cost of one directed shark permit can run anywhere between \$2,000 and \$5,000, which could be difficult for many shark fishermen to afford. For fishermen that do not currently have more than one directed shark permit, this alternative could have long-term minor beneficial impacts if these fishermen are able to acquire an additional permit and offset the cost of the additional permit by taking advantage of the potential economic benefits of the higher retention limits. Nevertheless, this alternative is unlikely to have beneficial socioeconomic impacts for the shark fishery as

whole because only shark fishermen that could afford to buy multiple shark permits would benefit from the higher retention limit and higher revenues whereas those shark fishermen that cannot afford to buy a second directed shark permit would be at a disadvantage, unable to economically benefit from the higher retention limits. Given the current make-up of the shark fishery, which primarily consists of small business fishermen with only one permit, and the cost of the additional permit, this could potentially lead to inequity and unfairness among the directed shark permit holders if those fishermen that currently have multiple directed permits or that could afford to buy an additional directed permit gain an economic advantage.

Under Alternative A3, NMFS would allow fishermen to concurrently use a maximum of three shark directed permits on one vessel, which would result in aggregated, and thus higher, trip limits. Under the current LCS retention limit of 36 LCS, this would mean that a vessel with three stacked permits would have a LCS retention limit of 108 LCS per trip. This alternative would allow shark directed permit holders to retain three times as many LCS per trip then the current retention limit. This new retention limit would result in potential trip revenues of \$3,498 (3,672 lb of meat, 184 lb of fins) per vessel, assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins, which is an increase of \$2,332 per trip compared to the status quo alternative. The higher retention limit is likely to make each trip more profitable for fishermen, as well as more efficient, if they decide to take fewer trips and in turn save money on gas, bait, and other associated costs. Similar to Alternative A2, this alternative would have short-term minor beneficial socioeconomic impacts for fishermen that currently have three shark directed limited access permits, because these fishermen would be able to stack their permits and avail themselves of the retention limit of 108 LCS per trip. As mentioned above, the current number

of shark directed permit holders is 219, with 93 percent having different owners. Therefore, it is unlikely that many of the current directed shark permit holders currently hold three directed shark permits and would be able to benefit from this alternative in the short-term. For fishermen who do not currently have more than one directed shark permit, this alternative could have larger long-term beneficial socioeconomic impacts than Alternative 2, if these fishermen are able to acquire two additional permits and offset the cost of the additional permits by taking advantage of the potential economic benefits of retaining up to 108 LCS per trip. However, for the same reasons discussed for Alternative A2, this alternative is unlikely to have socioeconomic benefits for those shark fishermen that cannot afford to buy two additional directed permits, and thus would be unable to economically benefit from a higher retention limit. Thus, given the current make-up of the shark fishery, Alternative A3 could potentially lead to more inequity and unfairness among the directed shark permit holders than Alternative A2, especially if those fishermen that currently have multiple directed permits or that could afford to buy additional directed permits gain an economic advantage under this alternative.

Commercial Retention Limits

Alternative B1 would not change the current commercial LCS retention limit for shark directed permit holders. The retention limit would remain at 36 LCS other than sandbar sharks per trip for directed permit holders. This retention limit would result in potential trip revenues of \$1,166 (1,224 lb of meat, 61 lb of fins) per vessel assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. It is likely that this alternative would have short-term neutral socioeconomic impacts, since the retention limits would not change under this alternative. However, not adjusting the retention limit would have long-term minor adverse socioeconomic impacts, due to

the expected continuing decline in prices for shark products and increase in gas, bait, and other associated costs, which would lead to declining profitability of individual trips. In recent years, there have been changes in federal and state regulations, including the implementation of Amendment 5a and state bans on the possession, sale, and trade of shark fins, which have impacted shark fishermen. In addition to federal and state regulations, there have also been many international efforts to prohibit shark finning at sea, as well as campaigns targeted at the shark fin soup markets. All of these efforts have impacted the market and demand for shark fins. In addition, NMFS has seen a steady decline in ex-vessel prices for shark fins in all regions since 2010 (NMFS 2013).

Alternative B2, the preferred alternative, would increase the LCS retention limit to a maximum of 55 LCS other than sandbar sharks per trip for shark directed permit holders and reduce the sandbar shark research fishery quota to 75.7 mt dw (166,826 lb dw). This alternative would allow shark directed permit holders to retain 19 more LCS per trip than the current retention limit. This new retention limit would result in potential trip revenues of \$1,781 (1,870 lb of meat, 94 lb of fins), assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. This alternative would have short- and long-term direct minor beneficial socioeconomic impacts, since shark directed permit holders could land more sharks per trip when compared to the current retention limit of 36 LCS per trip. The higher retention limit is likely to make each trip more profitable for fishermen, as well as more efficient, if they decide to take fewer trips, and in turn save money on fuel, bait, and other associated costs. Regarding the shark research fishery, this alternative could cause an average annual loss of \$85,944, since the sandbar research fishery quota would be reduced by 90,230 lb dw. This potential lost income for the research fishery

could be positive for commercial fishermen, since the increased retention limit could make trips more profitable. NMFS estimates that this reduction in the sandbar research fishery quota would have neutral socioeconomic impacts, based on current limited resources available to fund observed trips in the fishery and the current harvest level of the sandbar research fishery quota. In 2013, the vessels participating in the Atlantic shark research fishery only landed 37.0 mt dw (81,628 lb dw), or 32 percent, of the available sandbar shark quota. Under the new sandbar shark quota with the Atlantic shark research fishery, the 2013 landings would result in 49 percent of the new sandbar shark quota being landed. If available resources increase in the future for more observed trips in the fishery, then this alternative could have minor adverse socioeconomic impacts if the full quota is caught and the fishery has to close earlier in the year.

Alternative B3 would increase the LCS retention limit to a maximum of 72 LCS other than sandbar sharks per trip for shark directed permit holders and reduce the sandbar shark research fishery quota to 63.0 mt dw (138,937 lb dw). This alternative would double the current retention limit. This new retention limit would result in potential trip revenues of \$2,332 (2,448 lb of meat, 124 lb of fins), assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. This alternative would have short- and long-term minor beneficial socioeconomic impacts, since shark directed permit holders could land twice as many LCS per trip. Shark directed trips would become more profitable, but more permit holders could become active in order to avail themselves of this higher trip limit. Before Amendment 2, there were 143 active directed shark permit holders, and the number of active directed shark permit holders has declined to 90, due to the current retention limit and declines in shark product prices. The increased retention limit could cause some fishermen to become active again, potentially causing a derby fishery and

bringing the price of shark products even lower. Thus, NMFS needs to balance providing the flexibility of increasing the efficiency of trips and the associated socioeconomic benefits with the negative socioeconomic impacts of derby fishing and lower profits. This alternative could have neutral impacts for fishermen participating in the Atlantic shark research fishery, since the 2013 landings (37.0 mt dw; 81,628 lb dw) would result in 59 percent of the new sandbar shark quota being landed. Under Alternative B3, the new sandbar shark quota could result in average annual loss revenue of \$112,508 for those fishermen participating in the shark research fishery, but the income could be recouped by the increased retention limit outside the shark research fishery. If available resources increase in the future for more observed trips in the fishery, then this alternative still would have neutral socioeconomic impacts, since the observed trips would be distributed throughout the year to ensure the research fishery remains open and obtains biological and catch data all year round.

Alternative B4 would increase the LCS retention limit to a maximum of 108 LCS other than sandbar sharks per trip for shark directed permit holders and reduce the sandbar shark research fishery quota to 36.2 mt dw (79,878 lb dw). This alternative would allow shark directed permit holders to retain three times as many LCS per trip as the current retention limit. This new retention limit would result in potential trip revenues of \$3,498 (3,672 lb of meat, 184 lb of fins), assuming an ex-vessel price of \$0.65 for meat and \$6.05 for fins. This alternative could have short- and long-term moderate beneficial socioeconomic impacts, since shark directed permit holders could land three times the current LCS retention limit. This increased retention limit could result in 3,672 lb dw of LCS per trip, which could bring the fishery almost back to historical levels of 4,000 lb dw LCS per trip. While a retention limit of 108 LCS per trip would

make each trip more profitable and potentially require fishermen to take fewer trips per year, this large increase in the retention limit could cause a lot more permit holders to become active. Thus, the profit of individual vessels could decrease, because LCS quotas could be caught at a faster rate, and the fishing season could be shortened. Additionally, in order to increase the retention limit to 108 LCS per trip, the sandbar shark research quota would need to be reduced to an amount below what is currently being landed in the shark research fishery, which would have adverse impacts on fishermen in the shark research fishery, who would lose quota, and thus revenue.

Atlantic Regional and Sub-Regional Quotas

Alternative C1, the No Action alternative, would not change the current management of the Atlantic shark fisheries. This alternative would likely result in short-term, direct neutral socioeconomic impacts as fisheries would continue to operate under current conditions, with shark fishermen continuing to fish at current rates. Based on the 2013 ex-vessel prices, the annual gross revenues for the entire fleet from aggregated LCS and hammerhead shark meat in the Atlantic region would be \$339,998, while the shark fins would be \$76,299. Thus, total average annual gross revenues for aggregated LCS and hammerhead shark landings in the Atlantic region would be \$416,297 ($\$339,998 + \$76,299$), which is 9 percent of the entire revenue for the shark fishery. For the non-blacknose SCS and blacknose shark landings, the annual gross revenues for the entire fleet from the meat would be \$304,747, while the shark fins would be \$75,537. The total average annual gross revenues for non-blacknose SCS and blacknose shark landings in the Atlantic region would be \$380,284 ($\$304,747 + \$75,537$), which is 8 percent of the entire revenue for the shark fishery. However, this alternative would likely

result in long-term minor adverse socioeconomic impacts. Negative impacts would be partly due to the continued negative effects of federal and state regulations related to shark finning and sale of shark fins, which have resulted in declining ex-vessel prices of fins since 2010, as well as continued changes in shark fishery management measures. Additionally, under the current regulations, fishermen operating in the south of the Atlantic region drastically impact the availability of quota remaining for fishermen operating in the north of the Atlantic region. If fishermen in the south fish early in the year, they have the ability to land a large proportion of the quota before fishermen in the north have the opportunity to fish, due to time/area closures and seasonal migrations of LCS and SCS. Indirect short-term socioeconomic impacts resulting from any of the actions in Alternative C1 would likely be neutral because the measures would maintain the status quo with respect to shark landings and fishing effort. However, this alternative would likely result in indirect long-term minor adverse socioeconomic impacts. Negative socioeconomic impacts and decreased revenues associated with financial difficulties experienced by fishermen within Atlantic shark fisheries would carry over to the dealers and supporting businesses they regularly interact with.

Alternative C2 would apportion the Atlantic regional quotas for LCS and SCS along 33° 00' N. Lat. (approximately at Myrtle Beach, South Carolina) into northern and southern sub-regional quotas and potentially adjust the non-blacknose SCS quota based on the results of the 2013 assessments for Atlantic sharpnose and bonnethead sharks. Establishing sub-regional quotas could allow for flexibility in seasonal openings within the Atlantic region. Different seasonal openings within sub-regions would allow fishermen to maximize their fishing effort during periods when sharks migrate into local waters or when regional time/area closures are not

in effect. This would benefit the economic interests of North Carolina and Florida fishermen, the primary constituents impacted by the timing of seasonal openings for LCS and SCS in the Atlantic, by placing them in separate sub-regions with separate sub-regional quotas. Under this alternative, the northern Atlantic sub-region would receive 24.5 percent of the total aggregated LCS quota (41.4 mt dw; 91,275 lb dw) and 34.1 percent of the total hammerhead shark quota (9.2 mt dw; 20,370 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for aggregated LCS and hammerhead shark meat in the northern Atlantic sub-region would be \$86,970, while the shark fins would be \$19,705. Thus, total average annual gross revenues for aggregated LCS and hammerhead shark landings in the northern Atlantic sub-region would be \$106,675 (\$86,970 + \$19,705). There are approximately 61 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,749 per vessel. When compared to the other alternatives, the northern Atlantic sub-region would have minor beneficial socioeconomic impacts under Alternative C2, because this alternative would result in the highest total average annual gross revenues for aggregated LCS and hammerhead sharks. In the southern Atlantic sub-region, fishermen would receive 75.5 percent of the total aggregated LCS quota (127.5 mt dw; 281,277 lb dw) and 65.9 percent of the total hammerhead shark quota (17.9 mt dw; 39,366 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for aggregated LCS and hammerhead shark meat in the southern Atlantic sub-region would be \$253,029, while the shark fins would be \$56,593. The total average annual gross revenues for aggregated LCS and hammerhead shark landings in the southern Atlantic sub-region would be \$309,622 (\$253,029 + \$56,593). When compared to the other alternatives, the

southern Atlantic sub-region would have minor adverse socioeconomic impacts under Alternative C2, because this alternative would result in lower total average annual gross revenues for aggregated LCS and hammerhead sharks.

Under Alternative C2, NMFS would determine the blacknose shark quota for each sub-region using the percentage of landings associated with blacknose sharks within each sub-region and the new non-blacknose SCS quotas in conjunction with Alternatives C5, C6, and C7. The northern Atlantic sub-region would receive 32.3 percent of the total non-blacknose SCS quota, while the southern Atlantic sub-region would receive 67.7 percent of the total non-blacknose SCS quota in this alternative. For the blacknose sharks, the northern Atlantic sub-region would receive 4.5 percent of the total blacknose shark quota (0.8 mt dw; 1,739 lb dw), while the southern Atlantic sub-region would receive 95.5 percent of the total blacknose shark quota (16.7 mt dw; 36,899 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for blacknose shark meat in the northern Atlantic sub-region would be \$1,443, while the shark fins would be \$307. Thus, total average annual gross revenues for blacknose shark landings in the northern Atlantic sub-region would be \$1,750 (\$1,443 + \$307). Based on the 2013 ex-vessel prices, the annual gross revenues for blacknose shark meat in the southern Atlantic sub-region would be \$30,626, while the shark fins would be \$6,513. The total average annual gross revenues for blacknose shark landings in the southern Atlantic sub-region would be \$37,139 (\$30,626 + \$6,513).

This alternative would have minor beneficial socioeconomic impacts for the northern Atlantic sub-region fishermen when compared to Alternative C3, because fishermen in the northern Atlantic sub-region would receive a higher quota under Alternative C2. Alternative C2

would have minor adverse economic impacts for the southern Atlantic sub-region fishermen when compared to other alternatives, because fishermen in the southern Atlantic sub-region would receive a lower quota under Alternative C2. The slight increase in some of the sub-regional quotas within the northern Atlantic sub-region would result in direct short-term minor beneficial impacts, and ultimately direct long-term moderate beneficial impacts. Beneficial economic impacts are based on increased average annual gross revenues associated with increased aggregated LCS, hammerhead, and non-blacknose SCS sub-regional quotas in the northern Atlantic region seen in this alternative. While Alternative C2 would allow fishermen flexibility to maximize landings of LCS and SCS within their associated sub-regions, it does not take into consideration the SEDAR 34 stock assessment results or the quota linkages between non-blacknose SCS and blacknose sharks, and therefore, NMFS does not prefer this alternative at this time.

Alternative C3 would apportion the Atlantic regional quotas for LCS and SCS along 34° 00' N. Lat. (approximately at Wilmington, North Carolina) into northern and southern sub-regional quotas and potentially adjust the non-blacknose SCS quota based on the results of the 2013 assessments for Atlantic sharpnose and bonnethead sharks. This alternative would likely result in direct short-term minor beneficial impacts, and ultimately direct long-term moderate beneficial impacts. However, drawing the regional boundary between the northern and southern Atlantic sub-regions along 34° 00' N. Lat. would result in more equitable sub-regional quotas, in comparison to the boundary considered in Alternative C2. Under this alternative, the northern Atlantic sub-region would receive 19.7 percent of the total aggregated LCS quota (33.3 mt dw; 73,393 lb dw) and 34.1 percent of the total hammerhead shark quota (9.2 mt dw; 20,370 lb dw).

Based on the 2013 ex-vessel prices, the annual gross revenues for aggregated LCS and hammerhead shark meat in the northern Atlantic sub-region would be \$72,485, while the shark fins would be \$16,549. Thus, total average annual gross revenues for aggregated LCS and hammerhead shark landings in the northern Atlantic sub-region would be \$89,034 (\$72,485 + \$16,549). There are approximately 61 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,460 per vessel. When compared to Alternative C2, the northern Atlantic sub-region would have minor adverse economic impacts under this alternative. In the southern Atlantic sub-region, fishermen would receive 80.3 percent of the total aggregated LCS quota (135.6 mt dw; 299,159 lb dw) and 65.9 percent of the total hammerhead shark quota (17.9 mt dw; 39,366 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for aggregated LCS and hammerhead shark meat in the southern Atlantic sub-region would be \$267,513, while the shark fins would be \$59,750. The total average annual gross revenues for aggregated LCS and hammerhead shark landings in the southern Atlantic sub-region would be \$327,263 (\$267,513 + \$59,750). There are approximately 64 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$5,113 per vessel. This alternative would have minor beneficial economic impacts for the southern Atlantic sub-region fishermen when compared to Alternative C2.

As in Alternative C2, NMFS would determine the blacknose shark quota for each sub-region using the percentage of landings associated with blacknose sharks within each sub-region in Alternative C3 and the new non-blacknose SCS quotas in conjunction in Alternatives C5, C6,

and C7. Under Alternative C3, the northern Atlantic sub-region would receive 30.3 percent of the total non-blacknose SCS quota, while the southern Atlantic sub-region would receive 69.7 percent of the total non-blacknose SCS quota. For the blacknose sharks, the northern Atlantic sub-region would receive 4.5 percent of the total blacknose shark quota (0.8 mt dw; 1,732 lb dw), while the southern Atlantic sub-region would receive 95.5 percent of the total blacknose shark quota (16.7 mt dw; 36,899 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for blacknose shark meat in the northern Atlantic sub-region would be \$1,443, while the shark fins would be \$307. Thus, total average annual gross revenues for blacknose shark landings in the northern Atlantic sub-region would be \$1,750 (\$1,443 + \$307). Based on the 2013 ex-vessel prices, the annual gross revenues for blacknose shark meat in the southern Atlantic sub-region would be \$30,626, while the shark fins would be \$6,513. The total average annual gross revenues for blacknose shark landings in the southern Atlantic sub-region would be \$37,139 (\$30,626 + \$6,513). This alternative would have neutral socioeconomic impacts for the northern Atlantic sub-region fishermen when compared to Alternative C2, and would have beneficial socioeconomic impacts for the southern Atlantic sub-region fishermen when compared to Alternative C2.

Alternative C4, one of the preferred alternatives, would apportion the Atlantic regional quotas for certain LCS and SCS management groups along 34° 00' N. Latitude (approximately at Wilmington, North Carolina) into northern and southern sub-regional quotas, maintain SCS quota linkages in the southern sub-region of the Atlantic region, remove the SCS quota linkages in the northern sub-region of the Atlantic region, and prohibit the harvest and landings of blacknose sharks in the northern Atlantic sub-region. The socioeconomic impacts of

apportioning the Atlantic regional quotas for LCS and SCS along 34° 00' N. Lat. into northern and southern sub-regional quotas as preferred in this alternative would have the same impacts as described in alternative C3 above. Removing quota linkages within the northern Atlantic sub-region would have beneficial impacts, as active fishermen in this region would be able to continue fishing for non-blacknose SCS without the fishing activities in the southern Atlantic sub-region, where the majority of blacknose sharks are landed, impacting the timing of the non-blacknose SCS fishery closure. Economic advantages associated with removing quota linkages, allowing the northern Atlantic sub-region to land a larger number of non-blacknose SCS, would outweigh the income lost from prohibiting landings of blacknose sharks (\$1,750), particularly given the minimal landings of blacknose sharks attributed to the northern sub-region. In the southern Atlantic region, no socioeconomic impacts are expected by maintaining the quota linkages already in place for SCS. Thus, by removing quota linkages in the northern Atlantic region, in combination with apportioning the Atlantic regional quota at 34° 00' N. Lat. to allow fishermen to maximize their fishing effort, and thereby maximize revenue, during periods when sharks migrate into local waters or when regional time/area closures are not in place, Alternative C4 would result in overall direct and indirect, short- and long-term moderate beneficial socioeconomic impacts.

Alternative C5 would establish a non-blacknose SCS TAC of 353.2 mt dw and reduce the non-blacknose SCS commercial quota to 128 mt dw (282,238 lb dw). When combined with the other alternatives to establish sub-regional non-blacknose SCS quotas, the economic impacts of Alternative C5 would vary based on the alternative. Under Alternatives C2, the northern Atlantic sub-region would receive 32.2 percent of the total non-blacknose SCS quota (41.2 mt

dw; 90,881 lb dw) and the southern Atlantic sub-region would receive 67.8 percent of the total non-blacknose SCS quota (86.8 mt dw; 191,357 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$63,617, while the shark fins would be \$16,040. Thus, total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$79,657 (\$63,617 + \$16,040). There are approximately 61 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,306 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$133,950, while the shark fins would be \$33,775. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$167,724 (\$133,950 + \$33,775). There are approximately 56 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$2,995 per vessel. Sub-regional quotas under Alternatives C2 are about a two percent increase in landings allocated to the northern region for non-blacknose SCS when compared to Alternative C3. This percentage would lead to a slight increase in some of the sub-regional quotas within the northern Atlantic sub-region, as compared to Alternative C3, and would result in short-term minor beneficial impacts, and ultimately long-term moderate beneficial impacts in the northern Atlantic sub-region.

Using the quotas considered under Alternative C5 and the sub-regional split under Alternatives C3 and C4 (preferred alternative), the northern Atlantic sub-region would receive

30.3 percent of the total non-blacknose SCS quota (38.8 mt dw; 85,518 lb dw), while the southern Atlantic sub-region would receive 69.7 percent of the total non-blacknose SCS quota (89.2 mt dw; 196,720 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$59,863, while the shark fins would be \$15,094. The total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$74,957 ($\$59,863 + \$15,094$). There are approximately 53 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,414 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$137,704, while the shark fins would be \$34,721. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$172,425 ($\$137,704 + \$34,721$). There are approximately 64 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$2,694 per vessel. Overall, the non-blacknose SCS commercial quota considered under this alternative is almost thirty percent less than the current base quota and less than half of the current adjusted quota for this management group. Therefore, NMFS believes this alternative would have short- and long-term minor adverse socioeconomic impacts due to the quota being capped at a lower level than what is currently being landed in the non-blacknose SCS fisheries, leading to a loss in annual revenue for these shark fishermen. In addition, the adverse impacts would be compounded by the unknown stock status of bonnethead, which would prevent NMFS from carrying forward underharvested

quota. Thus, the commercial quota of 128 mt dw would not be adjusted and the fishermen would be limited to this amount each year, which could lead to shorter seasons and reduced flexibility, potentially affecting fishermen's decisions to participate.

Under Alternative C6, a preferred alternative, NMFS would establish a non-blacknose SCS TAC and maintain the current base annual quota of 176.1 mt dw (388,222 lb dw). When combined with the other alternatives to establish sub-regional non-blacknose SCS quotas, the economic impacts of Alternative C6 would vary based on the sub-regional quotas. Under Alternatives C2, the northern Atlantic sub-region would receive 32.2 percent of the total non-blacknose SCS quota (56.7 mt dw; 125,007 lb dw) and the southern Atlantic sub-region would receive 67.8 percent of the total non-blacknose SCS quota (119.4 mt dw; 263,215 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$87,505, while the shark fins would be \$22,064. Thus, total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$109,569 (\$87,505 + \$22,064). There are approximately 61 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,796 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$184,251, while the shark fins would be \$46,457. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$230,708 (\$184,251 + \$46,457). There are approximately 56 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit

holders in this sub-region would be \$4,119 per vessel. Sub-regional quotas under Alternative C2 would lead to some slightly higher sub-regional quotas within the northern Atlantic sub-region, as compared to Alternative C3, and would result in short-term minor beneficial impacts, and ultimately long-term moderate beneficial impacts in the northern Atlantic sub-region.

Using the quotas considered under Alternative C6 and the sub-regional split considered under Alternatives C3 and C4 (preferred alternative), the northern Atlantic sub-region would receive 30.3 percent of the total non-blacknose SCS quota (53.4 mt dw; 117,631 lb dw), while the southern Atlantic sub-region would receive 69.7 percent of the total non-blacknose SCS quota (123.7 mt dw; 270,591 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$82,342, while the shark fins would be \$20,762. The total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$103,104 (\$82,342 + \$20,762). There are approximately 53 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$1,945 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$189,414, while the shark fins would be \$47,759. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$237,173 (\$189,414 + \$47,759). There are approximately 64 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$3,706 per vessel. Overall, Alternative C6 would lead to a lower quota in the northern Atlantic sub-region,

as compared to current landings under the higher base quota. However, NMFS prefers this alternative at this time because it accounts for the status of Atlantic sharpnose and bonnethead sharks and takes into account all sources of mortality for both species and would continue to allow fishermen to land non-blacknose SCS at current levels.

Under Alternative C7, NMFS would establish a non-blacknose SCS TAC of 489.3 mt dw and increase the quota to the current adjusted base annual quota of 264.1 mt dw (582,333 lb dw). The economic impacts of Alternative C7 would vary when combined with the other alternatives to establish sub-regional non-blacknose SCS quotas. Under Alternatives C2, the northern Atlantic sub-region would receive 32.2 percent of the total non-blacknose SCS quota (85.0 mt dw; 187,511 lb dw) and the southern Atlantic sub-region would receive 67.8 percent of the total non-blacknose SCS quota (179.1 mt dw; 394,822 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$131,258, while the shark fins would be \$33,096. Thus, total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$164,353 ($\$131,258 + \$33,096$). There are approximately 61 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$2,694 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$276,375, while the shark fins would be \$69,686. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$346,061 ($\$276,375 + \$69,686$). There are approximately 56 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits,

the total average annual gross revenues for the directed permit holders in this sub-region would be \$6,179 per vessel. Sub-regional quotas under Alternatives C2 would lead to some slightly higher sub-regional quotas within the northern Atlantic sub-region, as compared to Alternative C3 and C4, and would result in short-term minor beneficial impacts, and ultimately long-term moderate beneficial impacts in the northern Atlantic sub-region, especially if there is no quota linkage to blacknose sharks in the northern Atlantic sub-region.

Using the quotas considered under Alternative C7 and the sub-regional split considered under Alternatives C3 and C4 (preferred alternative), the northern Atlantic sub-region would receive 30.3 percent of the total non-blacknose SCS quota (80.0 mt dw; 176,447 lb dw), while the southern Atlantic sub-region would receive 69.7 percent of the total non-blacknose SCS quota (184.1 mt dw; 405,886 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the northern Atlantic sub-region would be \$123,513, while the shark fins would be \$31,143. The total average annual gross revenues for non-blacknose SCS landings in the northern Atlantic sub-region would be \$154,656 (\$123,513 + \$31,143). There are approximately 53 directed shark permit holders in the northern Atlantic sub-region. Based on this number of individual permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$2,918 per vessel. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the southern Atlantic sub-region would be \$284,120, while the shark fins would be \$71,639. The total average annual gross revenues for non-blacknose SCS landings in the southern Atlantic sub-region would be \$355,759 (\$284,120 + \$71,639). There are approximately 64 directed shark permit holders in the southern Atlantic sub-region. Based on this number of individual permits, the total average

annual gross revenues for the directed permit holders in this sub-region would be \$5,559 per vessel. Overall, Alternative C7 would lead to the same quota in the northern Atlantic sub-region, as compared to current landings under the higher base quota. However, NMFS does not prefer this alternative at this time, because it would cap the non-blacknose SCS commercial at a higher level than Alternative C6 and does not account for the uncertainties in the SEDAR 34 bonnethead stock assessment.

Gulf of Mexico Regional and Sub-Regional Quotas

Alternative D1, the No Action alternative, would maintain the current regional quotas and quota linkages in the Gulf of Mexico region and continue to allow harvest of hammerhead sharks throughout the entire Gulf of Mexico region. This alternative would likely result in short-term neutral direct socioeconomic impacts, because shark fishermen would continue to operate under current conditions, with shark fishermen continuing to fish at similar rates. Based on the 2013 ex-vessel prices, the annual gross revenues for the entire fleet from blacktip, aggregated LCS, and hammerhead shark meat in the Gulf of Mexico region would be \$440,365, while the shark fins would be \$554,750. Thus, total average annual gross revenues for blacktip, aggregated LCS, and hammerhead shark landings in the Gulf of Mexico region would be \$995,115 ($\$440,365 + \$554,750$), which would be 21 percent of the entire shark fishery. There are approximately 90 directed shark permit holders in the entire Gulf of Mexico, which would result in average annual gross revenues for all LCS species of \$11,057 per vessel. For the non-blacknose SCS and blacknose shark landings, the annual gross revenues for the entire fleet from the meat would be \$35,757, while the shark fins would be \$58,495. The total average annual gross revenues for non-blacknose SCS and blacknose shark landings in the Atlantic region were

\$94,252 (\$35,757 + \$58,495), which is 2 percent of the entire revenue for the shark fishery. For the approximately 90 directed shark permit holders in the entire Gulf of Mexico, this which would result in average annual gross revenues for all SCS species of \$1,047 per vessel. However, this alternative would likely result in long-term minor adverse socioeconomic impacts. Negative impacts would be partly due to the continued negative effects of federal and state regulations related to shark finning and sale of shark fins, which have resulted in declining ex-vessel prices of fins since 2010, as well as continued changes in shark fishery management measures. In addition, under the No Action alternative the non-blacknose SCS quota would not be modified. This could potentially lead to negative socioeconomic impacts, since the non-blacknose SCS quotas could be increased based on the most recent stock assessment, as described in alternatives D5-D7 below. Additionally, under the current regulations, differences in regional season opening dates would impact the availability of quota remaining in the Gulf of Mexico. Florida fishermen begin fishing the LCS quotas in the beginning of the year, because sharks are in local waters. This puts Louisiana fishermen at a slight economic disadvantage, as they prefer to delay fishing in order to maximize fishing efforts during the religious holiday Lent when prices for shark meat are higher. Indirect short-term socioeconomic impacts resulting from any of the actions in Alternative D1 would likely be neutral. The measures would maintain the status quo with respect to shark landings and fishing effort. However, this alternative would likely result in indirect long-term minor adverse socioeconomic impacts. Negative socioeconomic impacts and decreased revenues associated with financial hardships experienced by fishermen within the Gulf of Mexico shark fisheries would carry over to the dealers and supporting businesses they regularly interact with. In addition, this alternative would not achieve

the goals of this rulemaking of increasing management flexibility to adapt to the changing needs of the Atlantic shark fisheries.

Alternative D2 would apportion the Gulf of Mexico regional quotas for blacktip, aggregated LCS and hammerhead sharks along 89° 00' W Longitude into western and eastern sub-regional quotas. Establishing sub-regional quotas would provide flexibility in seasonal openings within the Gulf of Mexico region. Different seasonal openings within sub-regions would allow fishermen to maximize their fishing effort during periods when sharks migrate into local waters or during periods when sales of shark meat are increased (e.g., in Louisiana, during Lent). Drawing the regional boundary between the eastern and western sub-regions along 89° 00' W Long. (between fishing catch areas 11 and 12), would better geographically separate the fishing activities of the major fishing constituents in the Gulf of Mexico region (i.e., Louisiana and Florida), in contrast to the boundary in Alternative D3, as the general range of Louisiana fishermen does not extend beyond this boundary. Under this alternative, the eastern Gulf of Mexico sub-region would receive 94.1 mt dw in blacktip shark, 87.0 mt dw in aggregated LCS, and 25.2 mt dw in hammerhead shark quotas. Based on the 2013 ex-vessel prices, the annual gross revenues for blacktip, aggregated LCS, and hammerhead shark meat in the eastern Gulf of Mexico sub-region would be \$203,868, while the shark fins would be \$80,259. Thus, total average annual gross revenues for blacktip, aggregated LCS, and hammerhead shark landings in the eastern Gulf of Mexico sub-region would be \$284,127 (\$203,868 + \$80,259). There are approximately 66 directed shark permit holders in the eastern Gulf of Mexico sub-region. Based on this number of individual directed permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$4,305 per vessel. When compared to the

other alternatives, the eastern Gulf of Mexico sub-region would have minor beneficial socioeconomic impacts under Alternative D2, because this alternative would result in the highest total average annual gross revenues for blacktip, aggregated LCS, and hammerhead sharks.

In the western Gulf of Mexico sub-region under alternative D2, fishermen would receive 65.7 percent of the total blacktip quota (180.2 mt dw; 397,239 lb dw), 42.5 percent of the total aggregated LCS quota (64.2 mt dw; 141,877 lb dw), and 0.6 percent of the total hammerhead shark quota (0.1 mt dw; 334 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for blacktip, aggregated LCS, and hammerhead shark meat in the eastern Gulf of Mexico sub-region would be \$236,497, while the shark fins would be \$95,213. Thus, total average annual gross revenues for blacktip, aggregated LCS, and hammerhead shark landings in the eastern Gulf of Mexico sub-region would be \$331,710 ($\$236,497 + \$95,213$). There are approximately 24 directed shark permit holders in the western Gulf of Mexico sub-region. Based on this number of individual directed permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$13,821 per vessel. The slight increase in the blacktip shark sub-regional quota in the eastern Gulf of Mexico sub-region, in comparison to Alternative D3, would result in direct short-term minor beneficial socioeconomic impacts. Over time, increased revenues gained from the additional blacktip shark sub-regional quota, as well as increased revenue associated with fishermen maximizing their fishing effort during periods when sharks migrate into local waters, could ultimately have direct long-term moderate beneficial socioeconomic impacts. Under this alternative the quota for hammerheads sharks in the western sub-region would be 0.1 mt dw, which would be very difficult for NMFS to monitor and control, possibly leading to the quota being overharvested. This small hammerhead quota could lead to

the aggregated LCS season being closed very early, and thus fishermen losing revenues if they are not able to land the aggregated LCS species. Therefore, because this alternative does not take into consideration the quota linkages between aggregated LCS and hammerhead sharks, NMFS does not prefer this alternative.

Alternative D3 would apportion the Gulf of Mexico regional quotas for blacktip, aggregated LCS, and hammerhead sharks along 88° 00' W Longitude into western and eastern sub-regional quotas. Under this alternative, the eastern Gulf of Mexico sub-region would receive 31.2 percent of the total blacktip quota (85.6 mt dw; 188,643 lb dw), 53.2 percent of the total aggregated LCS quota (80.4 mt dw; 177,596 lb dw), and 99.4 percent of the total hammerhead shark quota (25.2 mt dw; 55,388 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for blacktip, aggregated LCS, and hammerhead shark meat in the eastern Gulf of Mexico sub-region would be \$188,961, while the shark fins would be \$74,417. Thus, total average annual gross revenues for blacktip, aggregated LCS, and hammerhead shark landings in the eastern Gulf of Mexico sub-region would be \$263,378 (\$188,961 + \$74,417). There are approximately 66 directed shark permit holders in the eastern Gulf of Mexico sub-region. Based on this number of individual directed permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$3,991 per vessel. When compared to the other alternatives, the eastern Gulf of Mexico sub-region would have minor adverse socioeconomic impacts under Alternative D3, because this alternative would result in lower total average annual gross revenues for blacktip, aggregated LCS, and hammerhead sharks.

In the western Gulf of Mexico sub-region under alternative D3, fishermen would receive 68.8 percent of the total blacktip quota (188.7 mt dw; 415,983 lb dw), 46.8 percent of the total

aggregated LCS quota (70.8 mt dw; 156,232 lb dw), and 0.6 percent of the total hammerhead shark quota (0.1 mt dw; 334 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for blacktip, aggregated LCS, and hammerhead shark meat in the western Gulf of Mexico sub-region would be \$251,403, while the shark fins would be \$101,055. Thus, total average annual gross revenues for blacktip, aggregated LCS, and hammerhead shark landings in the western Gulf of Mexico sub-region would be \$352,458 (\$251,403 + \$101,055). There are approximately 24 directed shark permit holders in the western Gulf of Mexico sub-region. Based on this number of individual directed permits, the total average annual gross revenues for the directed permit holders in this sub-region would be \$14,686 per vessel. This alternative would have minor beneficial economic impacts for the western Gulf of Mexico sub-region fishermen when compared to other alternatives, because fishermen in the sub-region would receive a higher quota. This alternative would likely result in direct short-term minor beneficial impacts, and ultimately direct long-term moderate beneficial impacts. However, drawing the regional boundary between the eastern and western Gulf of Mexico sub-regions along 88° 00' W Long. (i.e., between fishing catch areas 10 and 11) may not reflect geographic differences in the distribution of major fishing constituents in the region (i.e., Louisiana and Florida) as well as the boundary in Alternative D2, as fishermen from Louisiana would be encouraged to fish in waters farther east than they historically occupied, which could create future user group conflicts within the region. Despite beneficial economic impacts associated with this alternative, NMFS does not prefer this alternative at this time because the split in Alternative D2 may reflect the distribution of fishing constituents better.

Alternative D4, one of the preferred alternatives, would apportion the Gulf of Mexico

regional quotas for blacktip, aggregated LCS, and hammerhead sharks along 89° 00' W Longitude into western and eastern sub-regional quotas and would maintain LCS quota linkages in the eastern sub-region of the Gulf of Mexico region, remove the LCS quota linkages in the western sub-region of the Gulf of Mexico region, and prohibit the harvest of hammerhead sharks in the western Gulf of Mexico sub-region. Removing quota linkages within the western Gulf of Mexico sub-region would have beneficial socioeconomic impacts, as fishermen active in this region would be able to continue fishing for aggregated LCS sharks without fishing activities in the eastern Gulf of Mexico sub-region dictating the timing of the aggregated LCS fishery closure. Economic advantages associated with removing quota linkages, allowing the western Gulf of Mexico sub-region to land a larger number of aggregated LCS, would outweigh the income lost from prohibiting landings of hammerhead sharks, particularly considering that the estimated hammerhead quota for the western Gulf of Mexico would be 0.1 mt dw. In the eastern Gulf of Mexico sub-region, no socioeconomic impacts are expected by maintaining the quota linkages already in place for LCS. Thus, Alternative D4 would likely result in both direct and indirect short- and long-term neutral socioeconomic impacts across the entire Gulf of Mexico region, as increased revenues associated with increased flexibility with season opening dates as a result of implementing sub-regional quotas would be countered by potential losses from prohibiting landings of hammerhead sharks in the western Gulf of Mexico. Because Alternative D4 would have neutral economic impacts, but still maintain the objective of providing flexibility of implementation of shark management measures through the region, NMFS prefers this alternative at this time.

Under Alternative D5, NMFS would establish a non-blacknose SCS TAC of 931.9 mt

dw and maintain the current base annual quota of 45.5 mt dw (100,317 lb dw). This alternative would likely result in moderate adverse socioeconomic impacts, due to the quota being capped at a lower level than what the SEDAR 34 stock assessment indicated was sustainable. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS and blacknose shark meat in the Gulf of Mexico region would be \$32,101, while the shark fins would be \$55,977. Thus, total average annual gross revenues for non-blacknose SCS landings would be \$88,078 ($\$32,101 + \$55,977$). There are approximately 90 directed shark permit holders in the entire Gulf of Mexico, which would result in average annual gross revenues for all SCS species of \$979 per vessel. When compared to Alternative D6, the preferred alternative, this alternative would result in \$44,040 ($\$132,118 - \$88,078$) less in total gross annual revenue, or \$489 less per vessel. In addition, the smaller quota under Alternative D5 could lead to shorter seasons, when compared to 2013 landings. For these reasons, NMFS does not prefer this alternative at this time.

Under Alternative D6, the preferred alternative, NMFS would establish a non-blacknose SCS TAC of 954.7 mt dw and increase the quota to the current adjusted annual quota of 68.3 mt dw (150,476 lb dw). Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the Gulf of Mexico region would be \$48,152, while the shark fins would be \$83,966. Thus, total average annual gross revenues for non-blacknose SCS landings would be \$132,118 ($\$48,152 + \$83,966$). There are approximately 90 directed shark permit holders in the entire Gulf of Mexico, which would result in average annual gross revenues for all SCS species of \$1,468 per vessel. NMFS prefers this alternative at this time because it would increase the non-blacknose SCS commercial quota above the current base quota and provide

fishermen with additional opportunities to profit from landing non-blacknose SCS in the Gulf of Mexico region, compared to the quota considered under Alternative D5, while also taking into account uncertainties in SEDAR 34, as well as the unknown status of bonnethead sharks.

Under Alternative D7, would establish a non-blacknose SCS TAC of 1,064.9 mt dw and increase the quota to 178.5 mt dw (393,566 lb dw). Under this alternative, the commercial quota would be increased to twice the current 2013 landings, which is almost four times the current base annual quota for non-blacknose SCS. Based on the 2013 ex-vessel prices, the annual gross revenues for non-blacknose SCS meat in the Gulf of Mexico region would be \$125,941, while the shark fins would be \$219,610. Thus, total average annual gross revenues for non-blacknose SCS landings would be \$345,551 ($\$125,941 + \$219,610$). There are approximately 90 directed shark permit holders in the entire Gulf of Mexico, which would result in average annual gross revenues for all LCS species of \$3,839 per vessel. The quota considered under this alternative would result in an increase of \$213,433 ($\$345,551 - \$132,118$) in annual revenues or an increase of \$2,371 per vessel, over the quota considered in preferred Alternative D6. However, as mentioned above, NMFS anticipates that it is not likely that fishermen would economically benefit from the non-blacknose SCS quota considered under Alternative D7, since the linkage with the blacknose quota would be maintained, and therefore the non-blacknose SCS fishery would likely be closed based on the blacknose quota before the full non-blacknose SCS quota could be landed. For this reason, and because there are uncertainties associated with the SEDAR 34 stock assessments, NMFS does not prefer this alternative at this time.

Upgrading Restrictions

Under Alternative E1, the No Action alternative, NMFS would maintain the current

upgrading restrictions in place for shark limited access permit holders. Thus, shark limited access permit holders would continue to be limited to upgrading a vessel or transferring a permit only if it does not result in an increase in horsepower of more than 20 percent or an increase of more than 10 percent overall, gross registered tonnage, or net tonnage from the vessel baseline specifications. The No Action alternative could result in direct and indirect minor adverse socioeconomic impacts if fishermen continue to be constrained by limits on horsepower and vessel size increases. Fishermen would also be limited by these upgrading restrictions when buying, selling, or transferring shark directed limited access permits. Because the No Action alternative provides fishermen with less operational flexibility, NMFS does not prefer this alternative at this time.

Alternative E2, a preferred alternative, would remove current upgrading restrictions for shark directed permit holders. Eliminating these restrictions would have short- and long-term minor beneficial socioeconomic impacts, since it would allow fishermen to buy, sell, or transfer shark directed permits without worrying about the increase in horsepower of more than 20 percent or an increase of more than 10 percent in length overall, gross registered tonnage, or net tonnage from the vessel baseline specifications. In addition, the upgrade restriction for shark permit holders was implemented to match the upgrading restrictions for the Northeast multispecies permits. NMFS is currently considering removing the upgrading restrictions for the Northeast multispecies permits, and if those are removed, then removing the upgrading restrictions for shark directed permit holders could aid in maintaining consistency for fishermen who hold multiple permits.

List of Subjects in 50 CFR Part 635

Fisheries, Fishing, Fishing vessels, Penalties, Permits and fees, Commercial retention limits, Quotas.

Dated: January 12, 2015

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs,

National Marine Fisheries Service.

For the reasons set out in the preamble, 50 CFR part 635 is proposed to be amended as follows:

PART 635–ATLANTIC HIGHLY MIGRATORY SPECIES

1. The authority citation for part 635 continues to read as follows:

Authority: 16 U.S.C. 971 et seq.; 16 U.S.C. 1801 et seq.

2. In § 635.2, the “Management group” definition is added in alphabetical order to read as follows:

§ 635.2 Definitions.

* * * * *

Management group in regard to sharks means a group of shark species that are combined for quota management purposes. A management group may be split by region and sub-region, as

defined at § 635.27(b)(1). A fishery for a management group can be opened or closed as a whole or at the regional or sub-regional levels. Sharks have the following management groups: Atlantic aggregated LCS, Gulf of Mexico aggregated LCS, research LCS, hammerhead, Atlantic non-blacknose SCS, Gulf of Mexico non-blacknose SCS, and pelagic sharks other than blue or porbeagle.

* * * * *

3. In § 635.4, revise paragraphs (l)(2)(i) and the introductory text of paragraph (l)(2)(ii), and remove paragraph (l)(2)(x) to read as follows:

§ 635.4 Permits and fees.

* * * * *

(1) * * *

(2) * * *

(i) Subject to the restrictions on upgrading the harvesting capacity of permitted vessels in paragraph (l)(2)(ii) of this section, as applicable, and to the limitations on ownership of permitted vessels in paragraph (l)(2)(iii) of this section, an owner may transfer a shark or swordfish LAP or an Atlantic Tunas Longline category permit to another vessel that he or she owns or to another person. Directed handgear LAPs for swordfish may be transferred to another vessel or to another person but only for use with handgear and subject to the upgrading restrictions in paragraph (l)(2)(ii) of this section and the limitations on ownership of permitted vessels in paragraph (l)(2)(iii) of this section. Shark directed and incidental LAPs and swordfish incidental LAPs are not subject to the upgrading requirements specified in paragraph (l)(2)(ii) of this section. Shark and swordfish incidental LAPs are not subject to the ownership requirements specified in

paragraph (l)(2)(iii) of this section.

(ii) An owner may upgrade a vessel with a swordfish LAP or an Atlantic Tunas Longline category permit, or transfer such permit to another vessel or to another person, and be eligible to retain or renew such permit only if the upgrade or transfer does not result in an increase in horsepower of more than 20 percent or an increase of more than 10 percent in length overall, gross registered tonnage, or net tonnage from the vessel baseline specifications. A vessel owner that concurrently held a directed or incidental swordfish LAP, a directed or incidental shark LAP, and an Atlantic Tunas Longline category permit as of August 6, 2007, is eligible to increase the vessel size or transfer the permits to another vessel as long as any increase in the three specifications of vessel size (length overall, gross registered tonnage, and net tonnage) does not exceed 35 percent of the vessel baseline specifications, as defined in paragraph (l)(2)(ii)(A) of this section; horsepower for those eligible vessels is not limited for purposes of vessel upgrades or permit transfers.

* * * * *

4. In § 635.24, paragraphs (a)(2) and (3) are revised and paragraphs (a)(4)(v) and (vi) are added to read as follows:

§ 635.24 Commercial retention limits for sharks, swordfish, and BAYS tunas.

* * * * *

(a) * * *

(2) Except as noted in paragraphs (a)(4)(iv) through (vi) of this section, a person who owns or operates a vessel that has been issued a directed LAP for sharks and does not have a valid shark research permit, or a person who owns or operates a vessel that has been issued a

directed LAP for sharks and that has been issued a shark research permit but does not have a NMFS-approved observer on board, may retain, possess, or land no more than 55 LCS other than sandbar sharks per vessel per trip if the respective LCS management group(s) is open per §§ 635.27 and 635.28. Such persons may not retain, possess, or land sandbar sharks.

(3) Except as noted in paragraphs (a)(4)(iv) through (vi) of this section, a person who owns or operates a vessel that has been issued an incidental LAP for sharks and does not have a valid shark research permit, or a person who owns or operates a vessel that has been issued an incidental LAP for sharks and that has been issued a valid shark research permit but does not have a NMFS-approved observer on board, may retain, possess, or land no more than 3 LCS other than sandbar sharks per vessel per trip if the respective LCS management group(s) is open per §§ 635.27 and 635.28. Such persons may not retain, possess, or land sandbar sharks.

(4) * * *

(v) A person who owns or operates a vessel that has been issued a shark LAP and is operating in the western Gulf of Mexico sub-region, as defined at § 635.27(b)(1)(ii), may not retain, possess, land, or sell any hammerhead sharks.

(vi) A person who owns or operates a vessel that has been issued a shark LAP and is operating in the northern Atlantic sub-region, as defined at § 635.27(b)(1)(i), may not retain, possess, land, or sell any blacknose sharks.

* * * * *

5. In § 635.27:

a. Paragraph (b)(1) as proposed to be amended at 79 FR 46217, August 7, 2014, is further revised; and

b. Paragraph (b)(2) introductory text, and paragraphs (b)(2)(i), (b)(2)(ii), (b)(2)(iii) introductory text, and (b)(3) introductory text are revised to read as follows:

§ 635.27 Quotas.

* * * * *

(b) Sharks. (1) Commercial quotas. The commercial quotas for sharks specified in this section apply to all sharks harvested from the management unit. Sharks taken and landed commercially from state waters, even by fishermen without Federal shark permits, must be counted against the appropriate commercial quota. Any of the base quotas listed below, including regional and/or sub-regional base quotas, may be adjusted per paragraph (b)(2) of this section. Any sharks landed commercially as “unclassified” will be counted against the appropriate quota based on the species composition calculated from data collected by observers on non-research trips and/or dealer data. No prohibited sharks, including parts or pieces of prohibited sharks, which are listed under heading D of Table 1 of Appendix A to this part, may be retained except as authorized under §635.32. For the purposes of this section, the boundary between the Gulf of Mexico region and the Atlantic region is defined as a line beginning on the east coast of Florida at the mainland at 25°20.4' N. lat, proceeding due east. Any water and land to the south and west of that boundary is considered, for the purposes of quota monitoring and setting of quotas, to be within the Gulf of Mexico region. Any water and land to the north and east of that boundary, for the purposes of quota monitoring and setting of quotas, is considered to be within the Atlantic region.

(i) Commercial quotas that apply only in the Atlantic Region. The commercial quotas specified in this paragraph (b)(1)(i) apply only to those species of sharks and management

groups within the management unit that were harvested in the Atlantic region, as defined in paragraph (b)(1) of this section. The Atlantic region is further split into northern and southern Atlantic sub-regions along 34° 00' N. lat., which is near Wilmington, North Carolina. All fish harvested within the Atlantic region in fishing catch areas in waters north of 34° 00' N. lat. are considered to be from the northern Atlantic sub-region, and all fish harvested within the Atlantic region in fishing catch areas in waters south of 34° 00' N. lat. are considered to be from the southern Atlantic sub-region.

(A) Atlantic aggregated LCS. The base annual commercial quota for Atlantic aggregated LCS is 168.9 mt dw. The northern Atlantic sub-region base quota is 33.3 mt dw (19.7% of the Atlantic region base quota) and southern Atlantic sub-region base quota is 135.6 mt dw (80.3% of the Atlantic region base quota).

(B) Atlantic hammerhead sharks. The regional base annual commercial quota for hammerhead sharks caught in the Atlantic region is 27.1 mt dw (51.7% of the overall base quota established in paragraph (b)(1)(iii) of this section). The northern Atlantic sub-region base quota is 9.2 mt dw (34.1% of this regional base quota) and southern Atlantic sub-region base quota is 17.9 mt dw (65.9% of this regional base quota).

(C) Atlantic non-blacknose SCS. The base annual commercial quota for Atlantic non-blacknose SCS is 176.1 mt dw. The northern Atlantic sub-region base quota is 53.4 mt dw (30.3% of the Atlantic region base quota) and southern Atlantic sub-region base quota is 123.7 mt dw (69.7% of the Atlantic region base quota).

(D) Atlantic blacknose sharks. The base annual commercial quota for Atlantic blacknose sharks is 18 mt dw. The northern Atlantic sub-region base quota is 0.0 mt dw (0.0% of the

Atlantic region base quota) and southern Atlantic sub-region base quota is 16.7 mt dw (95.5% of the Atlantic region base quota).

(ii) Commercial quotas that apply only in the Gulf of Mexico Region. The commercial quotas specified in this paragraph (b)(1)(ii) apply only to those species of sharks and management groups within the management unit that were harvested in the Gulf of Mexico region, as defined in paragraph (b)(1) of this section. The Gulf of Mexico region is further split into western and eastern Gulf of Mexico sub-regions by a boundary that is drawn along 89° 00' W. long., but that circumvents the U.S. Fish and Wildlife Service Breton National Wildlife Refuge at 29° 30' N. lat., 89° W. long.; then proceeds to 30° 23' N. lat., 89° W. long.; before returning to 89° 00' W. long. All fish harvested within the Gulf of Mexico region in fishing catch areas in waters westward of 89° 00' W. long. are considered to be from the western Gulf of Mexico sub-region, and all fish harvested within the Gulf of Mexico region in fishing catch areas in waters east of 89° 00' W. long., including within the Caribbean Sea, are considered to be from the eastern Gulf of Mexico sub-region.

(A) Gulf of Mexico aggregated LCS. The base annual commercial quota for Gulf of Mexico aggregated LCS is 157.3 mt dw. The eastern Gulf of Mexico sub-region base quota is 87.0 mt dw (57.5% of the Gulf of Mexico region base quota) and the western Gulf of Mexico sub-region base quota is 64.2 mt dw (42.5% of the Gulf of Mexico region base quota).

(B) Gulf of Mexico hammerhead sharks. The regional base annual commercial quota for hammerhead sharks caught in the Gulf of Mexico region is 25.3 mt dw (48.3% of the overall base quota established in paragraph (b)(1)(iii) of this section). The eastern Gulf of Mexico sub-region base quota is 25.2 mt dw (99.4% of this regional base quota) and western Gulf of Mexico

sub-region base quota is 0.0 mt dw (0.0% of this regional base quota).

(C) Gulf of Mexico blacktip sharks. The base annual commercial quota for Gulf of Mexico blacktip sharks is 256.6 mt dw. The eastern Gulf of Mexico sub-region base quota is 180.2 mt dw (34.3% of the Gulf of Mexico region base quota) and the western Gulf of Mexico sub-region base quota is 94.1 mt dw (65.7% of the Gulf of Mexico region base quota).

(D) Gulf of Mexico non-blacknose SCS. The base annual commercial quota for Gulf of Mexico non-blacknose SCS is 68.3 mt dw. This base quota is not split between the eastern and western Gulf of Mexico sub-regions.

(E) Gulf of Mexico blacknose sharks. The base annual commercial quota for Gulf of Mexico blacknose sharks is 2.0 mt dw. This base quota is not split between the eastern and western Gulf of Mexico sub-regions.

(iii) Commercial quotas that apply in all regions. The commercial quotas specified in this section apply to any sharks or management groups within the management unit that were harvested in either the Atlantic or Gulf of Mexico regions.

(A) Sandbar sharks. The base annual commercial quota for sandbar sharks is 75.7 mt dw. This quota, as adjusted per paragraph (b)(2) of this section, is available only to the owners of commercial shark vessels that have been issued a valid shark research permit and that have a NMFS-approved observer onboard.

(B) Research LCS. The base annual commercial quota for Research LCS is 50 mt dw. This quota, as adjusted per paragraph (b)(2) of this section, is available only to the owners of commercial shark vessels that have been issued a valid shark research permit and that have a NMFS-approved observer onboard.

(C) Hammerhead sharks. The overall base annual commercial quota for hammerhead sharks is 52.4 mt dw. This overall base quota is further split for management purposes between the regions defined in paragraphs (b)(1)(i) and (b)(1)(ii) of this section.

(D) Pelagic sharks. The base annual commercial quotas for pelagic sharks are 273.0 mt dw for blue sharks, 1.7 mt dw for porbeagle sharks, and 488.0 mt dw for pelagic sharks other than blue sharks or porbeagle sharks.

(E) Smoothhound sharks. The base annual commercial quota for smoothhound sharks is 1782.2 mt dw.

(2) Annual and inseason adjustments of commercial quotas. NMFS will publish in the Federal Register any annual or inseason adjustments to the base annual commercial overall, regional, or sub-regional quotas. No quota will be available, and the fishery will not open, until any adjustments are published in the Federal Register and effective. Within a fishing year or at the start of a fishing year, NMFS may transfer quotas between regions and sub-regions of the same species or management group, as appropriate, based on the criteria in paragraph (b)(2)(iii) of this section.

(i) Annual overharvest adjustments.

(A) Adjustments of annual overall and regional base quotas. Except as noted in this section, if any of the available commercial base or adjusted overall quotas or regional quotas, as described in this section, is exceeded in any fishing year, NMFS will deduct an amount equivalent to the overharvest(s) from the base overall or regional quota the following fishing year or, depending on the level of overharvest(s), NMFS may deduct from the overall or regional base quota an amount equivalent to the overharvest(s) spread over a number of subsequent

fishing years to a maximum of five years. If the blue shark quota is exceeded, NMFS will reduce the annual commercial quota for pelagic sharks by the amount that the blue shark quota is exceeded prior to the start of the next fishing year or, depending on the level of overharvest(s), deduct an amount equivalent to the overharvest(s) spread over a number of subsequent fishing years to a maximum of five years.

(B) Adjustments to sub-regional quotas. If a sub-regional quota is exceeded but the regional quota is not, NMFS will not reduce the annual regional base quota the following year and sub-regional quotas will be determined as specified in paragraph (b)(1) of this section. If both a sub-regional quota(s) and the regional quota are exceeded, for each sub-region in which an overharvest occurred, NMFS will deduct an amount equivalent to that sub-region's overharvest from that sub-region's quota the following fishing year or, depending on the level of overharvest, NMFS may deduct from that sub-region's base quota an amount equivalent to the overharvest spread over a number of subsequent fishing years to a maximum of five years.

(C) Adjustments to quotas when the species or management group is split into regions or sub-regions for management purposes and not as a result of a stock assessment. If a regional quota for a species that is split into regions for management purposes only is exceeded but the overall quota is not, NMFS will not reduce the overall base quota for that species or management group the following year and the regional quota will be determined as specified in paragraph (b)(1) of this section. If both a regional quota(s) and the overall quota is exceeded, for each region in which an overharvest occurred, NMFS will deduct an amount equivalent to that region's overharvest from that region's quota the following fishing year or, depending on the level of overharvest(s), NMFS may deduct from that region's base quota an amount equivalent to

the overharvest spread over a number of subsequent fishing years to a maximum of five years. If a sub-regional quota of a species or management group that is split into regions for management purposes only is exceeded, NMFS will follow the procedures specified in paragraph (b)(2)(i)(B) of this section.

(ii) Annual underharvest adjustments. Except as noted in this paragraph, if any of the annual base or adjusted quotas, including regional quotas, as described in this section is not harvested, NMFS may adjust the annual base quota, including regional quotas, depending on the status of the stock or management group. If a species or a specific species within a management group is declared to be overfished, to have overfishing occurring, or to have an unknown status, NMFS may not adjust the following fishing year's base quota, including regional quota, for any underharvest, and the following fishing year's quota will be equal to the base annual quota. If the species or all species in a management group is not declared to be overfished, to have overfishing occurring, or to have an unknown status, NMFS may increase the following year's base annual quota, including regional quota, by an equivalent amount of the underharvest up to 50 percent above the base annual quota. Except as noted in paragraph (b)(2)(iii) of this section, underharvests are not transferable between regions, species, and/or management groups.

(iii) Determination criteria for inseason and annual quota transfers between regions and sub-regions. Inseason or annual quota transfers of quotas between regions or sub-regions may be conducted only for species or management groups where the species are the same between regions or sub-regions and the quota is split between regions or sub-regions for management purposes and not as a result of a stock assessment. Before making any inseason or annual quota transfer between regions or sub-regions, NMFS will consider the following criteria and other

relevant factors:

* * * * *

(3) Opening commercial fishing season criteria. NMFS will file with the Office of the Federal Register for publication notification of the opening dates of the overall, regional, and sub-regional shark fisheries for each species and management group. Before making any decisions, NMFS would consider the following criteria and other relevant factors in establishing the opening dates:

* * * * *

6. In § 635.28, paragraph (b) is revised to read as follows:

§ 635.28 Fishery closures.

* * * * *

(b) Sharks. (1) A shark fishery that meets any of the following circumstances is closed and subject to the requirements of § 635.28(b)(6):

(i) No overall, regional, and/or sub-regional quota, as applicable, is specified at § 635.27(b)(1);

(ii) The overall, regional, and/or sub-regional quota, as applicable, specified at § 635.27(b)(1) is zero;

(iii) After accounting for overharvests as specified at § 635.27(b)(2), the overall, regional, and/or sub-regional quota, as applicable, is determined to be zero or close to zero and NMFS has closed the fishery by publication of a notice in the Federal Register;

(iv) The species is a prohibited species as listed under Table 1 of Appendix A of this part;
or

(v) Landings of the species and/or management group meet the requirements specified in § 635.28(b)(2) through (5) and NMFS has closed the fishery by publication of a notice in the Federal Register.

(2) Non-linked quotas: If the overall, regional, and/or sub-regional quota of a species or management group is not linked to another species or management group and that overall, regional, and/or sub-regional quota is available as specified by a publication in the Federal Register, then that overall, regional, and/or sub-regional commercial fishery for the shark species or management group will open as specified in §635.27(b). When NMFS calculates that the overall, regional, and/or sub-regional landings for a shark species and/or management group, as specified in §635.27(b)(1), has reached or is projected to reach 80 percent of the available overall, regional, and/or sub-regional quota as specified in §635.27(b)(1), NMFS will file for publication with the Office of the Federal Register a notice of an overall, regional, and/or sub-regional closure, as applicable, for that shark species and/or shark management group that will be effective no fewer than 5 days from date of filing. From the effective date and time of the closure until NMFS announces, via the publication of a notice in the Federal Register, that additional overall, regional, and/or sub-regional quota is available and the season is reopened, the overall, regional, and/or sub-regional fisheries for that shark species or management group are closed, even across fishing years.

(3) Linked Quotas: As specified in paragraph (b)(3) of this section, the overall, regional, and/or sub-regional quotas of some shark species and/or management groups are linked to the overall, regional, and/or sub-regional quotas of other shark species and/or management groups. For each pair of linked species and/or management groups, if the overall, regional, and/or sub-

regional quota specified in § 635.27(b)(1) is available for both of the linked species and/or management groups as specified by a publication in the Federal Register, then the overall, regional, and/or sub-regional commercial fishery for both of the linked species and/or management groups will open as specified in § 635.27(b)(1). When NMFS calculates that the overall, regional, and/or sub-regional landings for any species and/or management group of a linked group has reached or is projected to reach 80 percent of the available overall, regional, and/or sub-regional quota as specified in § 635.27(b)(1), NMFS will file for publication with the Office of the Federal Register a notice of an overall, regional, and/or sub-regional closure for all of the species and/or management groups in that linked group that will be effective no fewer than 5 days from date of filing. From the effective date and time of the closure until NMFS announces, via the publication of a notice in the Federal Register, that additional overall, regional, and/or sub-regional quota is available and the season is reopened, the overall, regional, and/or sub-regional fishery for all species and/or management groups in that linked group is closed, even across fishing years.

(4) The quotas of the following species and/or management groups are linked:

(i) Northern Atlantic hammerhead sharks and northern Atlantic aggregated LCS.

(ii) Southern Atlantic hammerhead sharks and southern Atlantic aggregated LCS.

(iii) Eastern Gulf of Mexico hammerhead sharks and eastern Gulf of Mexico aggregated LCS.

(iv) Southern Atlantic blacknose sharks and southern Atlantic non-blacknose SCS.

(v) Gulf of Mexico blacknose sharks and Gulf of Mexico non-blacknose SCS.

(5) NMFS may close the regional or sub-regional Gulf of Mexico blacktip shark

management group(s) before landings reach, or are expected to reach, 80 percent of the quota.

Before taking any inseason action, NMFS will consider the following criteria and other relevant factors:

(i) Estimated Gulf of Mexico blacktip shark season length based on available sub-regional quotas and average sub-regional weekly catch rates during the current fishing year and from previous years;

(ii) Variations in regional and/or sub-regional seasonal distribution, abundance, or migratory patterns of blacktip sharks, hammerhead sharks, and aggregated LCS based on scientific and fishery information;

(iii) Effects of the adjustment on accomplishing the objectives of the 2006 Consolidated HMS FMP and its amendments;

(iv) The amount of remaining shark quotas in the relevant sub-regions, to date, based on dealer or other reports; and,

(v) The regional and/or sub-regional catch rates of the relevant shark species or management group(s), to date, based on dealer or other reports.

(6) When the overall, regional, and/or sub-regional fishery for a shark species and/or management group is closed, a fishing vessel, issued a Federal Atlantic commercial shark permit pursuant to § 635.4, may not possess, retain, land, or sell a shark of that species and/or management group that was caught within the closed region or sub-region, except under the conditions specified in § 635.22(a) and (c) or if the vessel possesses a valid shark research permit under § 635.32, a NMFS-approved observer is onboard, and the sandbar and/or Research LCS fishery, as applicable, is open. A shark dealer, issued a permit pursuant to § 635.4, may not

purchase or receive a shark of that species and/or management group that was caught within the closed region or sub-region from a vessel issued a Federal Atlantic commercial shark permit, except that a permitted shark dealer or processor may possess sharks that were caught in the closed region or sub-region that were harvested, off-loaded, and sold, traded, or bartered, prior to the effective date of the closure and were held in storage. Under a closure for a shark species or management group, a shark dealer, issued a permit pursuant to § 635.4 may, in accordance with State regulations, purchase or receive a shark of that species or management group if the shark was harvested, off-loaded, and sold, traded, or bartered from a vessel that fishes only in State waters and that has not been issued a Federal Atlantic commercial shark permit, HMS Angling permit, or HMS Charter/Headboat permit pursuant to § 635.4. Additionally, under an overall, a regional, or a sub-regional closure for a shark species and/or management group, a shark dealer, issued a permit pursuant to § 635.4, may purchase or receive a shark of that species group if the sandbar or Research LCS fishery, as applicable, is open and the shark was harvested, off-loaded, and sold, traded, or bartered from a vessel issued a valid shark research permit (per § 635.32) that had a NMFS-approved observer on board during the trip the shark was collected.

(7) If the Atlantic Tunas Longline category quota is closed as specified in paragraph (a)(4) of this section, vessels that have pelagic longline gear on board cannot possess, retain, land, or sell sharks.

* * * * *

7. In § 635.31, paragraphs (c)(1) and (4) are revised to read as follows:

§ 635.31 Restrictions on sale and purchase.

* * * * *

(c) * * *

(1) Persons that own or operate a vessel that possesses, retains, or lands a shark from the management unit may sell such shark only if the vessel has a valid commercial shark permit issued under this part. Persons may possess, retain, land, and sell a shark only to a federally-permitted dealer and only when the fishery for that species, management group, region, and/or sub-region has not been closed, as specified in § 635.28(b). Persons that own or operate a vessel that has pelagic longline gear onboard can possess, retain, land, and sell a shark only if the Atlantic Tunas Longline category has not been closed, as specified in § 635.28(a).

* * * * *

(4) Only dealers who have a valid Federal Atlantic shark dealer permit and who have submitted reports to NMFS according to reporting requirements of §635.5(b)(1)(ii) may first receive a shark from an owner or operator of a vessel that has, or is required to have, a valid Federal Atlantic commercial shark permit issued under this part. Dealers may purchase a shark only from an owner or operator of a vessel who has a valid commercial shark permit issued under this part, except that dealers may purchase a shark from an owner or operator of a vessel who does not have a Federal Atlantic commercial shark permit if that vessel fishes exclusively in state waters and does not possess a HMS Angling permit or HMS Charter/Headboat permit pursuant to § 635.4. Atlantic shark dealers may purchase a sandbar shark only from an owner or operator of a vessel who has a valid shark research permit and who had a NMFS-approved observer onboard the vessel for the trip in which the sandbar shark was collected. Atlantic shark dealers may purchase a shark from an owner or operator of a fishing vessel who has a valid commercial shark permit issued under this part only when the fishery for that species,

management group, region, and/or sub-region has not been closed, as specified in § 635.28(b).

Atlantic shark dealers may first receive a shark from a vessel that has pelagic longline gear onboard only if the Atlantic Tunas Longline category has not been closed, as specified in § 635.28(a).

* * * * *

8. In § 635.34, paragraphs (a) and (b) are revised to read as follows:

§ 635.34 Adjustment of management measures.

(a) NMFS may adjust the IBQ shares or resultant allocations for bluefin tuna, as specified in § 635.15; catch limits for bluefin tuna, as specified in §635.23; the overall, regional, and/or sub-regional quotas for bluefin tuna, sharks, swordfish, and northern albacore tuna as specified in §635.27; the retention limits for sharks, as specified at § 635.24; the regional retention limits for Swordfish General Commercial permit holders, as specified at §635.24; the marlin landing limit, as specified in §635.27(d); and the minimum sizes for Atlantic blue marlin, white marlin, and roundscale spearfish as specified in §635.20.

(b) In accordance with the framework procedures in the 2006 Consolidated HMS FMP, NMFS may establish or modify for species or species groups of Atlantic HMS the following management measures: maximum sustainable yield or optimum yield based on the latest stock assessment or updates in the SAFE report; domestic quotas; recreational and commercial retention limits, including target catch requirements; size limits; fishing years or fishing seasons; shark fishing regions, or regional and/or sub-regional quotas; species in the management unit and the specification of the species groups to which they belong; species in the prohibited shark species group; classification system within shark species groups; permitting and reporting

requirements; workshop requirements; the IBQ shares or resultant allocations for bluefin tuna; administration of the IBQ program (including but not limited to requirements pertaining to leasing of IBQ allocations, regional or minimum IBQ share requirements, IBQ share caps (individual or by category), permanent sale of shares, NED IBQ rules, etc.); time/area restrictions; allocations among user groups; gear prohibitions, modifications, or use restriction; effort restrictions; observer coverage requirements; EM requirements; essential fish habitat; and actions to implement ICCAT recommendations, as appropriate.

* * * * *

9. In § 635.71, paragraphs (d)(3) and (d)(4) are revised to read as follows:

§ 635.71 Prohibitions

* * * * *

(d) * * *

(3) Retain, possess, or land a shark of a species or management group when the fishery for that species, management group, region, and/or sub-region is closed, as specified in § 635.28(b).

(4) Sell or purchase a shark of a species or management group when the fishery for that species, management group, region, and/or sub-region is closed, as specified in § 635.28(b).

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10. In Appendix A to Part 635, Section B of Table 1 is revised to read as follows:

Appendix A to Part 635—Species Tables

Table 1 of Appendix A to Part 635—Oceanic Sharks

* * * * *

B. Small Coastal Sharks
Atlantic and Gulf of Mexico Atlantic sharpnose, <u>Rhizoprionodon terraenovae</u>
Atlantic and Gulf of Mexico blacknose, <u>Carcharhinus acronotus</u>
Atlantic and Gulf of Mexico bonnethead, <u>Sphyrna tiburo</u>
Finetooth, <u>Carcharhinus isodon</u>
* * * * *

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